THE FINANCIAL POST

The Canadian Newspaper for Businessmen and Investors

Largest Circulation of All Canadian Financial Papers

Vol. XXXV | Member of Audit Bureau of Circulations | PUBLICATION OFFICE: TORONTO, APRIL 5, 1941 | 10c a Copy: $5.00 a Year | No. 14

The Nation's Business

Answering Questions Americans Ask

All over Canada there has been commendation for the brief but impressive statement of Canada's war commitments presented to Parliament last week by the Prime Minister.

Quite obviously Mr. King's statement was intended as much for American as for Canadian consumption. It is unfortunate, then, that the statement received the very minimum of attention in American papers. Obviously the place to put facts before the American public is in the United States.

Up to now, it has been Ottawa's deliberate policy to refrain from any publicity effort that might be interpreted as an attempt to influence American opinion. We have leaned so far backward in this respect that we have attained an almost horizontal position. In the meantime, isolationist propagandists have thoroughly misrepresented Canada's war contribution. Friends of Canada have asked us for the facts to enable them to reply and they have not been given the facts. Canada's own representatives across the line were "muzzled."

* * *

It is to be hoped that Mr. King's candid statement represents the adoption of a new policy by Ottawa; a policy of satisfying the American demand for enlightenment on our war effort.

We need have no fears of our motives being misunderstood if we go even further: if we appoint a press attaché at Washington to answer questions; if we establish a library of information in New York to make pamphlets, speeches and statistics available to inquirers; if we even establish a bureau to provide speakers for clubs and associations desiring to hear from Canada.

It will not be necessary to circulate propaganda material unasked, as Germany does. The demand for information is there. Even if we confine ourselves simply to meeting the existing demand we shall accomplish much.

There are hundreds of thousands of people across the line who think that the United States is doing more to help Britain than Canada is doing. They have been told that often enough by mischievous persons in Congress and outside of it.

There are others who think Canada is making a profit out of the war.

There are those who compare Canada's four months compulsory training scheme with America's twelve months compulsory service and assert that the difference in term of service represents the difference in the seriousness with which each country approaches defence problems.

There is virtually no understanding across the line as to the manner in which our large-scale financial assistance to Britain is creating a serious bottleneck in our supply of American dollars. Even so well-informed a Washington writer as the New York Times' Arthur Krock wrote a commentary on Mr. King's remarks that showed he was ill-informed. He wrote of Canadian "lease-lend" aid to Britain as something likely to be granted in the future. The facts are that Canada is already lending to Britain.

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In recent issues The Financial Post undertook to survey the extent of Canada's equivalent of "lease-lend" aid to Britain, through purchase of sterling. It could only guess at the figures; there was, unhappily, nothing official to enable an accurate estimate to be made. Steps were taken by The Financial Post to put its articles in the hands of hundreds of American editors and financial men. The response was gratifying; the information was welcomed. Mr. King's later information shows that The Post's figures were underestimates. But it should not have been left for an unofficial newspaper to be the first to circulate the facts across the border.

Idle boastfulness about our war commitments is to be deplored. But the simple practical policy of providing our friends across the line with the answers to their questions about those commitments cannot but be helpful in creating goodwill and understanding. We owe it to the Americans to show that we are not hitch-hiking on the Canada-U.S.A. defense agreement and that we are doing at least as much for Britain and for democracy as they are doing.

Let us make certain that every American knows that our war commitments, including our own war costs plus financial assistance to Britain, represent a burden on our economy equivalent to a minimum annual expenditure of $35 billions by the American people.

* * *

DOES IT, OR DOES IT NOT, PLAN?

The Wartime Requirements Board was set up to get more planning into our industrial war effort. It was never given any mandatory powers but it had broad instructions to study such questions as available resources of manpower, materials, and to determine how best they could be mobilized for most effective use in our war preparations.

H. R. MacMillan, British Columbia shipping and lumbering executive, was selected to head the board.

It has been obvious that the Government and Mr. MacMillan have not agreed, either as to the extent of the authority that should be vested in him or as to the character of planning we should have for making full use of the country's resources.

References to Mr. MacMillan, made by his chief, the Minister of Munitions and Supply, in the House of Commons have included some that were very slighting. They seem to suggest Mr. Howe puts no high valuation on the work Mr. MacMillan's board is supposed to be doing.

* * *

The Wartime Requirements Board may be very active and it may be doing a big job but all the available evidence points to the contrary conclusion. It would seem rather that it is being largely ignored by the Government; and has no real authority of the character suggested by its terms of reference.

Mr. Howe should make a statement to Parliament about the Wartime Requirements Board.

Does he desire to make use of it in planning the best use of our industrial capacity? If not, and if he thinks he can plan our industrial job better without reference to the Board, why not wind it up? If the Board is not to be given any authority, it should not be continued. Its existence is bound to mislead some people into believing that there is more planning in our defense buying than there is in reality.

* * *

OUR NEED FOR U. S. DOLLARS

The suggestion that the Canadian and United States dollars should be established on a basis of parity seems to emanate from Washington rather than Ottawa. Both Senator Claude Pepper and Wendell Willkie gave currency to the idea when they were in Canada.

Whether or not it would be "good business" for Canada to have its dollar in line with the American dollar is one of those questions that is good for endless academic discussion. It would not be helpful to producers of gold or newsprint. It would help those who have debts to service across the line.

What is more important is how it could be achieved. It is difficult to see how the two dollars could be put at par unless the United States—and this means in effect the United States Government—were to buy very large amounts of Canadian dollars or, to put it another way, supply us, on loan, with all the American dollars we need to balance the national books.

It is likely that part of the price the American Government would want us to pay for currency parity would be abolition of our present policy of rationing U.S. dollars through the pleasure travel ban, the import embargoes and the 10 per cent tax on non-sterling imports.

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Plan Export Most Power Of Seaway

No Difficulty Seen in Canada Obtaining Temporary U.S. Market

Completion of the first stage of the St. Lawrence Seaway power development in 1945 would probably lead to power exports on a major scale by the Ontario Hydro-Electric Power Commission, The Financial Post is reliably informed.

General consensus, however, leans to the view that after the war Canadian industry will need little if any of the power immediately available for development in 1945.

At the same time, good demand for it in the United States, is expected, and that for the time being it will be gradually developed here and exported.

Power For Export

The agreement signed at Ottawa does not specifically deal with the export of power. This proved a contentious problem several years ago during previous negotiations. But no difficulties are seen now.

The development of super power-distribution systems in the last few years has completely changed the picture. In the old days there was a close, almost personal link between distributor and consumer. There was an individual long-term contract between the company developing the power and the factory or town consuming it.

Under these conditions if power supplied by exports suddenly ceased, international complications might follow. Factories would have to shut down. Owners and labor would certainly kick.

Now the power distribution systems along the St. Lawrence-Great Lakes waterway are huge. They are tied in or capable of being tied in with scores of generating sources.

If for some reason the small amount of imported power in such super-systems is cut off, there is simply a slight and probably temporary drop in the whole reservoir, no sudden break in any individual line.

Some Export Authorized

The Dominion Government, which formerly stood strongly against the export of Canadian power, is believed now to recognize the new development. For over a year, for instance, it has permitted the Ontario Hydro and other distributors to export extra power to the United States.

If the Seaway project goes through, The Post understands that

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HELP BRITAIN Buy American Supplies
Buy Something British
BUY something BRITISH
BRITAIN DELIVERS THE GOODS
BUY SOMETHING BRITISH!

U. S. citizens and business firms are adding to their nation's official aid to Britain through the Lease-Lend law. Steadily gaining in scope are campaigns to rouse support of the British cause through purchase of British goods, donations to aircraft funds, and aid to war victims. Merchants across the country are pushing sale of British goods by a variety of methods, including window displays and advertisements such as these samples published by Los Angeles department stores.

Major Company Law Change Urged by Abitibi Enquiry

McTague Report Finds Present Legislation Inadequate

When the Royal Commission under Mr. Justice C. P. McTague of the Ontario Supreme Court started work investigating reorganization possibilities for Abitibi Power & Paper Co. it saw need for a larger work.

This was to demonstrate that certain features of Canadian company legislation are badly in need of reform—a view which has been supported editorially by The Financial Post and others.

In its report just tabled in the Ontario Legislature, the Commission members were: "impressed with the inadequacy of existing legislation to meet situations that arise when companies find themselves in financial difficulties."

Hopes For Action

The Commission hopes that sufficient public interest can be aroused in this subject to lead to action.

The Ontario Judicature Amendment Act of 1935, later found to conflict with Dominion powers, was enacted to overcome some difficulties met in company reorganizations. It was under this act that the 1937 attempt of the Ripley committee to reorganize Abitibi Power & Paper Co. was brought, and it was the action of the courts in declaring this effort ultra vires of the particular act that led to the ineffectiveness of this legislation.

Under the two Dominion acts governing company reorganizations one practical difficulty is that requiring support of 75% of the securities. The Companies Creditors Arrangement Act, a Dominion Act, requires a compromise or arrangement which has been agreed on by three quarters of the securities voting to become effective.

Need Appraisal Power

"In practice," states the McTague report, "compliance with the requirements of these acts is often difficult and sometimes impossible. It has been held that any disposition made by a court on such an application should be just and equitable, but there is no provision in our procedure for ascertaining what the property of the company is worth or what its probable earnings may be, or what equity is available for the various classes interested."

As an illustration of what happens under present legislation the report cites the Abitibi case. In 1937 the Bondholders' Protective Committee admitted that there was some equity for junior interests but in 1940 it said there was no equity. In actual fact, says the report, the 1940 committee chose to ignore the Companies Act provisions because "in its judgment there is no issue as to whether there is an equity or not."

Courts Determine Equity

"It seems to us that where there may be an issue involved in bondholders' action against a company as to whether there is an equity, the court should be given the power to determine the issue and not let the bondholder be the sole judge. As the law is now, if bondholders for themselves conclude there is no equity, they simply proceed to foreclosure through the unwholesome fiction of a sale."

Under such circumstances, a genuine sale is impossible No one but a committee of bondholders could purchase the assets and, in the absence of competitive bids, the holders of the primary securities can buy the property for much less than its real value. This reacts not only to the detriment of the junior security holders, but also to the financial disadvantage of bondholders who have not elected to place their bonds under the control of the committee.

The Commission discusses certain phases of United States procedure under the Chandler Act. This, among other things, gives the courts a chance to review the proposed plan early in its history, perhaps before it is in final form. It gives authority to the courts to approve, or alter the plan; to decide what interests have a legitimate claim; to determine the value and probable earning power of the company.

A Dominion Job

The remedy in Canada, states the Commission's report, must be through Federal, not provincial, jurisdiction. It may require later amendments to provincial legislation covering company reorganization but the senior authority should come first.

Sale Fictions

"Old mortgage procedure of foreclosure through the fiction of a sale seems to us to have no place in corporate reorganizations today. Putting a duty upon the court (possibly the bankruptcy court) in these cases to ascertain real values and so appraise out nuisance claims which have no real equitable interest, and, at the

(Continued on page 2, col. 4)

The War And Business . . *A Weekly Round-up*

Aluminum Key War Material

One of the most cheering war news items this week—and there were several—was the report on aluminum output by R. E. Powell, president of the Aluminum Company of Canada. Present volume in Canada, he stated, is sufficient to make more than 50,000 planes annually.

In the two years immediately prior to the war Germany produced more aluminum than any other country in the world and since the war production in that country has been augmented by the output in Norway and France. But now, said Mr. Powell, the United States and Canada produce more aluminum than the rest of the world.

And aluminum, it should be remembered, is generally regarded as the No. 1 key metal of this war. It is the main ingredient in the modern bomber or fighter plane, the first metal to be rationed in Great Britain and Canada. There is no worry, The Post understands, regarding the supply of bauxite ore to make aluminum. The really limiting factors in production are electrical power and smelting equipment.

* * *

Scarcity of U. S. Dollars

Frank admission that Canada has reached a serious position in regard to U. S. exchange was made in Parliament by Hon. J. L. Ilsley. "It must be remembered," he cautioned the House, "that while we are not in a desperate position in connection with United States exchange, we are in a serious position."

At the same time, the minister of finance refused to forecast Canada's probable course of action with respect to the U. S. Lease-Lend law. Hansard shows the following remarks:

Mr. Quelch—Can the minister say whether, as a result of the passing of the Lease-Lend bill, it is intended to borrow from the United States?

Mr. Ilsley—I cannot say. I do not know whether Canada will take advantage of the provisions of the Lease-Lend bill.

* * *

War Cost 1940

The financial cost of the war in the full fiscal year ending March 31, 1941, has been estimated within the most accurate limits yet possible at a figure of $835 millions.

Breakdown of the main items, based upon actual expenditures to Feb. 28, plus an estimate for the month of March, follows:

	$
National Defense:	
Army	404,714,000
Navy	85,193,000
Air Force	185,000,000
Sundry	6,232,200
Munitions and Supply	95,000,000
Non-war departments:	
Agriculture	5,268,000
Civil service comm'n.	120,300
External affairs	369,300
Finance	1,712,800
Fisheries	174,000
Labor	1,702,300
Mines and Resources	354,000
National Harbors Board	265,000
Nat'l. Research Council	541,600
National War Services	2,543,500
Pensions & Nat. Health	3,520,500
Post Office	258,000
Public Works	5,539,000
R.C.M.P.	2,500,000
Secretary of State	177,500
Transport	1,351,000
Loans and Investments	16,488,300
Provision for unforeseen	15,820,700
	835,000,000

While the original total appropriation for the year of $700 millions was exceeded by $135 millions, there were some notable cases of amounts left over. Chief of these was the budget of the Department of Munitions and Supply. Here an outlay approximately $150 millions was planned for new factories, capital advances, etc. But actual spending did not keep pace with expectations and outlay was about a third less.

* * *

Biggest Explosive Plant

The largest explosive plant in Canada, the second of the national factories of this kind, has just commenced operations and will be in full production by midsummer, a report from Ottawa reveals. Capital expenditure on this latest addition to the Allied War Supplies Corp. group amounts to $19 millions. This plant produces five different kinds of explosives and will be used to supply new loading plants for ammunition for both Canada and Great Britain. Output of this plant, together with that at Nobel, which started operations late last year, makes Canada's production of high explosives and propellants considerably greater than the maximum output obtained in the last war. The third largest national explosive plant is scheduled to come into operation next summer.

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Army Expenditures

Of the $666.6 millions involved in Canada's army programme for the fiscal year just commenced, approximately two thirds, or $433 millions, will be spent on formations and funotions overseas, Hon. J. L. Ralston, Minister of National Defense announced recently. For coast defense and guards at vulnerable points in Canada, the bill is expected to be almost $68.3 millions.

National defense headquarters and district services will account for almost $30 millions. Training and reinforcement functions in Canada will cost $56 millions, reserve army, officers, training, etc. amount to $33 millions.

About $145 millions will be in the nature of capital outlay termed "non-recurring" costs. Some $521.6 millions is largely for current expenses including pay and allowances, maintenance and similar items.

* * *

Flour for Britain

Opposition Leader Hanson's suggestion in Parliament this week to make Great Britain a present of a six months' supply of the best grade Canadian flour meets the same difficulty that confronts ordinary commercial exports: lack of shipping. Lack of credit has never interfered with food exports to the Mother Country and especially so since the war began. Had this flour been offered and presented two years ago, then there would have been no great difficulty in getting it across the Atlantic.

As a matter of fact for a year or two prior to the war consideration was given by the British Government to building up a huge emergency supply of either wheat or flour, but it is believed that only moderate stocks were laid in.

* * *

Incidentally this week authorities have given the right of way on shipments of durum wheat from country points in western Canada to Lakehead terminals. This is special wheat used largely for the production of macaroni. Probably it is intended to export it to Mediterranean countries, or to Mussolini's lost empire in Africa.

* * *

No U. S. Travel

Notwithstanding wide approval expressed by the press throughout Canada of the suggestion that the ban on pleasure travel to the United States be modified, Finance Minister Ilsley came out flatfooted against the proposal this week. It was admitted that Canadian travellers might spread much necessary goodwill, would offset hostile Nazi propaganda, might indeed encourage an increase in American traffic this way, but the Dominion Cabinet apparently is still unconvinced that there would not be a big risk in authorizing the $20 to $30 millions of American dollars which Canadian visitors might spend.

Mr. Ilsley also cleared up the point about the decennial census this year. War or no war, he stated, the Government had decided to take it.

* * *

Revamp Shipping

A reallocation of American and British ocean shipping has been suggested as the first answer to the menace of Nazi submarines. Responsible American sources suggest that Britain should turn over practically all shipping routes remote from the war zone to American boats, and concentrate its own traffic to and from Europe. This, it is stated, would release a very great amount of space.

As a second step it is suggested that the half million tons of neutral and belligerent owned shipping lying idle in U. S. ports, practically taken over this week, could be turned over to Great Britain.

These two moves, it is estimated, would make effective to Great Britain two to three million tons of additional shipping. It would be sufficient to cover any immediate crisis and permit traffic to be maintained until the new fleet of boats now being built in the United States will become a factor.

Inflationary Factors Weighing Heavily

Canada Faces Supreme Test in Financing Britain's $1,150 Millions Exchange Deficit — See Measure of Inflation Inevitable

From Our Own Correspondent

OTTAWA.—All the pundits here agree—at least privately—that the $1,150 millions deficit on British account for the coming year will involve a strong inflationary factor in Canadian financing from now on. There would be sharp disagreement in appraising the scope of it, however.

The decision to furnish Britain with Canadian dollars to the extent of $1,150 millions, as announced by Prime Minister King, March 25, will provide the supreme test both for Canada's domestic credit facilities and for the wartime price control system by which the Government has been hoping to shield the Canadian people from the worst effects of price inflation.

Mechanics Not Clear

Just how the mechanics of carrying the British account in the Canadian budget will be worked out is not, at the moment, clear. Ottawa hopes that there will be some surplus in Canada's taxation and loan revenues after paying our own direct war costs, to cover at least part of the cost of financial assistance to Britain. But there will still be some deficit that will have to be financed by inflation in some form or by U. S. borrowing under lease-lend. The hope is to get the final deficit down to around $500 millions, though all the figures available make it look like a deficit of over $700.

With new taxes, the tax estimates run from $1,200-$1,500 millions. The war loans will be calculated later in terms of the market. At the same time, strenuous efforts will be made to boost the national income towards the $6,000 millions mark.

Treasury officials are not worried regarding the form of security provided by the British Government. The main concern arises from the effects in Canada of carrying a deficit of such proportions, threatening as it does a substantial expansion of credit within the Canadian financial system.

This will lead to price inflation which could be countered in two ways; by price controls that are already in existence and capable of strengthening, and by a considerable expansion of productive activity which is already under way.

For this reason, the attainment of a national income of $5,950 millions, as estimated by Mr. King, becomes a vital necessity. Any lower figure will make the consequences of financing war commitments now in prospect of serious problem calling for drastic anti-inflationary precautions.

More Workers—Higher Prices

In estimating the national income at $5,950 millions, the main factors upon which the required increase is based are the prospect of putting into employment in war industries at least 200,000 more workers in the coming year and the prospect of reasonable increases in prices obtained by primary producers for their products.

Calculations of increased employment are based upon estimates of the start of production in a number of factories now approaching completion.

In increasing the income of primary producers, the British food agreements represent the main hope, and the bacon and cheese producers are already engaged in filling bigger orders than they had last year. The wheat farmer is the dark spot in the picture, however, and the current policies are designed to achieve only the 15-year average income of the prairie farm population, $325 millions, as the best that can be done under the circumstances.

Parallel With Wheat

A parallel is seen between the problem of financing the Wheat Board account and that of British

(Continued on page 2, col 1)

American Dollar Crisis Soon Facing Canada

From Our Own Correspondent

OTTAWA.—After taxing and borrowing to what at present are considered extreme limits, Canada faces a deficit in the fiscal year just begun, of at least $700 millions. At the same time she faces a growing shortage of American dollars. Both these problems, it is hinted from Washington, may be solved by some new exchange arrangement between this Dominion and the United States involving financial aid to Canada, probably under Lease-Lend.

Just how far short we are going to be of American dollars before the end of the year, has not been announced, but Finance Minister Ilsley gave the country more than one broad hint this week. In answer to a question in Parliament Mr. Ilsley stated frankly that the present situation was getting serious. A few hours later he announced that there would be no lifting of the ban against Canadian pleasure travel in the United States.

Must Have U. S. Dollars

Even if Canada decided to adopt the shot-in-the-arm method of currency inflation to cure the looming deficit, it would not solve the problem of securing more American dollars. These are necessary to maintain our steadily rising imports from the United States.

Despite an out and out ban on certain American luxury goods, a rigid quota on others, a 10% import tax against all, and on top of all this a 10% premium on U. S. funds our imports from the United States have been steadily mounting.

The reason for this growth is the war. Almost the whole import is composed of war materials, airplanes, and parts, principally engines and instruments, machine tools, lubricants and iron and chemicals for shells and explosives. Some of this material is for the manufacture of munitions and equipment of our own forces, most of the remainder for Great Britain or other Dominions.

Included in the import, of course, are a few non-war items, principally citrus fruits, other early fruits and vegetables. There has been agitation against continuing this import when the need of American dollars is so great. Aside from what limited quantities are needed for national health, undoubtedly the Dominion Government has been sympathetic to the pleas for an embargo. But when the matter was suggested last fall, Washington protested, hinted at reprisals against Canadian exports, especially cattle, so fruit and vegetables continue to be imported.

Big Adverse Balance

At present, we are buying about $70 millions of American goods a month, selling to the Americans about $35 millions. In a year that will give us an adverse trade balance of well over $400 millions. To this must be added servicing charges on Canadian securities held in the United States.

Easing this to the extent of not more than $100 millions a year and quite probably much less, will be the money spent in this country this year by American tourists. Of more importance are our shipments of gold to the United States, which do not appear in the trade statistics. When these and the tourist trade is deducted there remains an adverse balance of at least $150 mil-

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Plan More Popular Appeal On Next War Loan Drive

Working basis for the third Canadian war loan is being established along lines similar to the 1919 Victory loan. Provincial committees have been appointed and provinces divided into districts each with its local committee which will be in charge of actual canvassing. Heads of the committees include leading bankers and investment dealers.

Publicity for the loan is planned to eclipse that of the preceding two issues.

It is understood canvassers will receive higher commission than in the first two war loans, when $3.75 per $1,000 bond was paid, an amount often insufficient to meet the canvasser's expenses.

Another "Victory" Loan

Majority opinion seems to favor the name "Victory Loan." It is expected to come the beginning of June. Amount of $700 millions appears likely, possibly more.

It is probable technique of delivery will be changed, bearer bonds being issued close to the time of purchase, instead of interim certificates exchangeable into definitive securities at a later date.

Make Sure You See—

Canada's Billions For War
How We Raise and Spend—p. 11.

How Fire Companies Are Faring
Fire Insurance Review—p. 12-15.

"Timing" In Stock Purchases
Advances Method of Timing—p. 5.

A Broker Puts $25,000 In Golds
Investing in Canada's Mines—p. 19.

Hat News from EATON'S

Stetson 'Playboy'

A favoured hat among the well-dressed men who prefer a light weight fur felt for Spring and Summer wear! Noted for its shape-retaining features. It comes in new Spring shades . . Cactus Green, Nassau Blue, Viking Grey, Sepia Brown. Sizes 6¾ to 7⅝. EATON Price, each

6.00

Main Store—Main Floor

T. EATON Co. LIMITED
TORONTO CANADA

A. COURTNEY PROCTOR
Farm Consulting Service For Business Men
Unionville Phone 33

Inflation Factors Weighing Heavily

(Continued from page 1)

purchases. Differing in degree, the twin problems are basically the same of providing credit on the security of eventually realizable assets. In the case of wheat, the Government expects to sell it in time, but until the sales are made, the wheat board's bankers are carrying accounts running to $400 millions.

In the case of the British deficit, the situation is that Britain is expecting to obtain munitions and supplies worth $1.5 billion in the coming year, and on the basis of Mr. King's figures, Britain will be able to pay only $350 millions in the regular exchange of trade.

The fact that Canada's financial aid-to-Britain problem is not accepted as a purely business proposition is evident from talk in Parliament and in some of the provincial legislatures for outright gifts to Britain. Hon. R. B. Hanson advocated giving 100 million bushels of wheat to Britain, a gift that would represent at least an $85 millions item in the Canadian budget.

As Canada extends credit for $1,150 millions worth of munitions and supplies, the effect will be that Britain will get many of her requirements on a charge account basis. How the account is finally settled cannot be determined until after the war.

National Breweries Sales On Larger Basis

From Our Own Correspondent

MONTREAL.—Sales of National Breweries Ltd. have shown a "very gratifying" increase over 1940 so far this year, according Norman J. Dawes, president, at the annual meeting. If no adverse legislation, which, he said, is a sword always overhanging the industry, is enacted, Mr. Dawes felt the company's prospects for the current year were "very good."

Shareholders approved an amendment to a by-law authorizing directors to appoint an executive committee of not more than seven directors.

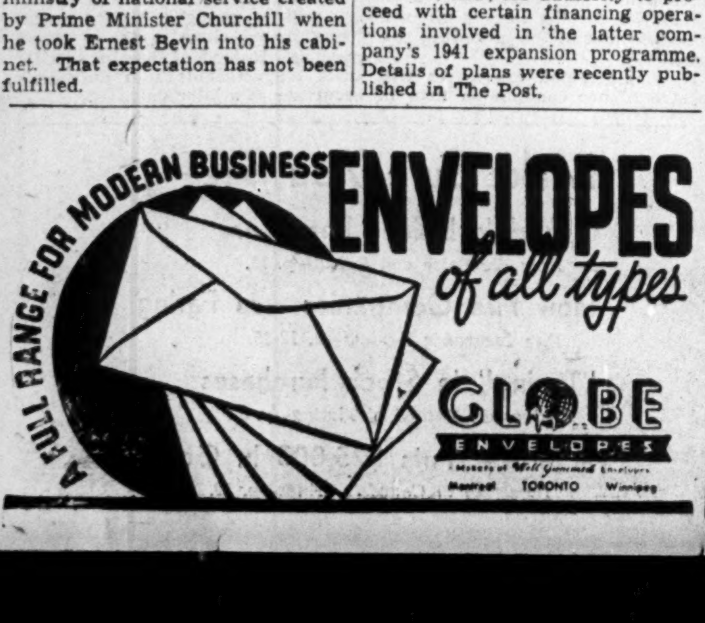
Report for 1940 was approved and directors were re-elected.

Hint New Head In War Services

From Our Own Correspondent

OTTAWA. — Appointment of a new Minister of National War services in order to relieve Hon. J. G. Gardiner for full time as Minister of Agriculture is foreseen here as a result of the deepening agricultural crisis and the controversy around the new wheat policy.

The National War Services portfolio is regarded as a minor post. When created last summer, first indications were that it might become a senior portfolio like the ministry of national service created by Prime Minister Churchill when he took Ernest Bevin into his cabinet. That expectation has not been fulfilled.



A FULL RANGE FOR MODERN BUSINESS
ENVELOPES of all types
GLOBE ENVELOPES
Makers of Well Gummed Envelopes
Montreal TORONTO Winnipeg

C. W. Lumber Co. Sales High

Canadian Western Lumber Co. reports net profits for 1940 sufficient to permit payment of 3% on its 5% income debenture stock for 1940. This interest is to be distributed June 1 this year. From 1939 earnings the company distributed 1% on the income debenture stock.

During the year 194,305,191 ft. of lumber were sold compared with 200,203,982 ft. in 1939. In spite of this decrease of almost six million feet, the amount realized is $362,165 greater than last year. Higher average prices accounted for the gain in operating earnings which, however, is offset by higher taxes.

Sales of lumber and other products to the United Kingdom, Australia, British West Indies and minor markets were made in satisfactory volume, states H. J. Mackin, president. Scarcity of ships during the first four months and the last month of the year resulted in considerably reduced shipments.

Slight headway was made in disposing of properties taken over in the Prairies in previous years in settlement of debts, but prices realized resulted in losses. Another $41,895 has been set aside for expected losses from this source.

Outstanding 5% first mortgage debenture stock has been reduced to $1.3 million from $2 millions, while 5% income debentures remain unchanged at $5.4 millions.

Consol. Income and Surplus Account
Years Ended Dec. 31

	1940	1939
	$	$
Operating profit	1,618,939	1,326,482
Less: Exec. remuner.	126,546	99,323
Directors' fees	7,000	6,500
Legal costs	19,719	2,807
Net oper. profit	1,465,674	1,217,852
Add: Invest. income .	2,310	2,338
General interest	31,361	13,589
Net earnings	1,499,345	1,233,779
Less: Deprec. & obsol.	186,195	245,740
Invest. deprec.	41,895	48,980
Taxes	654,000	125,060
Int. on 5% debs. ..	96,496	99,653
Disc. on debs. issued	......	12,898
Net profit*	520,759	701,448
Avail. for:		
5% 1st mtge. s.f. ..	348,929	346,776
Sink. fund arrears .	......	306,494
Int. on 5% inc. debs.	171,830	48,178
Balance	nil	nil

*Before depletion of timber and items which follow.

Working Capital

	$	$
Current assets	3,455,498	3,252,799
Current liabilities ...	1,167,256	702,871
Working capital	2,288,242	2,549,928

Langley's Sales Are Up 15%

Company Benefits From Government Expenditures in Toronto Stores

S. R. MacKellar, president, reported at the annual meeting of Langley's Ltd. that business so far in 1941 has shown a marked improvement over 1940. The company is finally having favorable results from the war expenditures, particularly in Toronto stores in working class districts.

Gross business in first 11 weeks of 1941 is 15.09% up from the like 1940 period. Earnings for the first two periods of 1941 were up $4,485 over the like 1940 period after depreciation but before taxes. The financial year is divided into 13 periods of 4 weeks each. Results for the third period, ended Mar. 29, 1941, should show further improvement in net, as gross sales show an increase.

Outlook Favorable

Discussing the future Mr. MacKellar stated that the late Easter this year should be an advantage to the company. The important factor favoring higher earnings is that production costs are lower now than a year ago, and provided no radical changes occur in basic Canadian conditions or there is no further tax increase, the president is optimistic about the 1941 outlook. Much depends, also, on the weather. For instance, the company's best three months—May, June and July—were hit last year by an unusually cold and wet period and it was late in the summer of 1940 before the dollar volume equalled that of 1939.

Lake of Woods Milling Profits Are Maintained

From Our Own Correspondent

MONTREAL.—Net profit of Lake of the Woods Milling Co. for the first half of the current fiscal year ended Feb. 28, after estimated depreciation and income taxes, is reported to compare favorably with the like period of a year ago.

Business at the start of the second half of the year, however, has been less favorable, export business not having measured up to expectations. At present the shipping situation is an important factor in the export market.

Inter-City Baking Co., a subsidiary, which will report for its fiscal year shortly, is expected to show the adverse influence of the processing tax on flour.

S.E.C. Approves Finance Deal of Dominion Gas

The securities and Exchange Commission, Washington, has approved the application of International Utilities, Ltd., for authority to proceed with certain financing operations involved in the latter company's 1941 expansion programme. Details of plans were recently published in The Post.

The Nation's Business

(Continued from page 1)

Ottawa would, no doubt, be reluctant to abandon any controls that help in diverting civilian spending power into the war effort.

The financial authorities of the two countries may have some far-reaching plans up their sleeves. But on the basis of what is publicly known, the discussion of dollar parity between the two currencies seems to be very premature.

The truth is that we are going to have to have American financial help in squaring our dollar accounts even on the basis of present restrictions and the ten per cent discount to which the Canadian dollar is now subject.

• • •

Much more important to Canada than dollar parity is to know the terms upon which such financial assistance from the United States may be made available to us. It is to be presumed that the aid will come through some adaptation of "lease-lend" to meet our particular need, which is American dollar exchange.

Will, for instance, Washington demand that Canada make a fire sale offering of United States investments now held by residents of Canada? Washington demanded that of Britain. It was not until the bottom of the barrel was showing through the last few bundles of Britain's marketable securities that the United States offered "lease-lend" aid.

• • •

Cleaning Britain out of her American securities, and thus weakening her position in world trade and finance, may in the long run prove to have been short-sighted on the part of Washington. If post-war peace is to depend upon Anglo-American economic operation, as now seems apparent, Uncle Sam will want a strong and not a weak partner to help him in the dual work of carpenter of reconstruction and policeman of peace.

This country's foreign investments are not very large. Statistics show that we have about $1,000 millions invested in the United States. This looks like a lot. Actually the amount that we could raise if we were to take over all American holdings of our citizens and all American branch plants of our industries and turn them into cash, would be only a small fraction of that sum.

Canada needs the stabilizing strength of these investments; and will need it more in the post-war reconstruction. One dollar in three of our national income is rooted in foreign trading. We need some reserves of American dollars to see us through the ups and downs of this trade.

We owe $4 billions to American investors. We need cash reserves abroad to help us maintain service on these debts.

American, as well as Canadian financial authorities, agree that it would be a tragedy if this country had to strip itself naked of American securities before Washington offered us the protecting cloak of lease-lend.

U. S. Dollar Crisis Soon Is Big Fear

(Continued from page 1)

lions a year and it may double that figure as war production in both countries speeds up.

Lease-Lend-Dollar Parity

Ottawa has been somewhat disturbed by two entirely unofficial suggestions out of Washington. The first is that before Canada will be given any assistance under Lease-Lend it must turn into cash the investments of Canadian citizens in American securities and branch plants. The second is that the currencies of the two countries be stabilized at parity.

More details are awaited but may not be forthcoming, according to current rumors until after Prime Minister King visits President Roosevelt this month. In any case current financial negotiations with Britain are expected to be cleared first.

Canada is loath to put herself through the financial wringer apparently necessary before Lease-Lend is available. And Canada is also loath to see the 10% premium on U. S. funds disappear.

The first course might involve a fire sale of all American securities and other assets held by Canadians. The second would not only automatically lower by 10% our dam against American luxury goods we feel that we cannot afford in wartime, but it would also cut the price on our exports to the United States. Without most careful safeguards it might mean a drastic reorganization for our gold mining and pulp and paper industries, hardships for our livestock raisers.

A New Offer

Because of these difficulties and also the official policy of restriction pursued to date, it is believed that something more than plain Lease-Lend or dollar parity may be under consideration. As a matter of fact both President Roosevelt and Finance Minister Ilsley this week both denied reports of dollar parity negotiations.

Some plan might be worked out whereby the United States might accept Canadian dollars at an agreed rate, holding same for redemption at an agreed time and rate after the war. In return U. S. dollars would be issued to Canada for the purchase of war materials in the States. Another alternative might be a loan from the American Government not private U. S. sources—the neutrality legislation does not apply in this case—sufficient in size to finance our adverse trade balance with the U. S. at the same time help us to carry all or part of Britain's deficit in Canada. This would little more than extend Lease-Lend aid to that part of the British war effort now being financed by Canada leaving us to carry alone our own $1.5 billion a year war programme.

Company Law Changes Urged

(Continued from page 1)

same time reasonably protect the junior security holder who has a real interest, seems to us the proper principle upon which to approach this present difficult problem. As a basis we recommend a study of the United States legislation in this regard—but only as a basis. We think it can be improved on."

Curb Bond Committees

The Commission also has something to say about deposit agreements in general and their place in company reorganizations. It reviews the Abitibi deposit agreement of June 10, 1932 paying particular attention to the powers it gives the bondholders' committee, the question of actual notice to depositors of any change or alteration in any plan and privileges of withdrawal by depositors. It points out that U. S. legislation recommends that use of deposit agreements be greatly restricted and powers of the committee reduced. It suggests that greater privileges of withdrawal be granted depositors and emphasizes the right of the court to order an independent vote regardless of any terms contained in the agreement.

"In the view of the present commission," it reports, "the court should have the right, regardless of any terms contained in deposit agreements, to order a full and independent vote by all members of any class. We, therefore, recommend that if any changes are brought about in the law dealing with reorganization of companies as previously suggested, regard should be had to the effect of deposit agreements, and the proper court be given the power to disregard any provisions which might otherwise operate against the independent views and judgments of bondholders in their own rights."

Hepburn Tax Promise Apparently Forgotten

Announcement by Premier Mitchell Hepburn of Ontario that the provincial Corporation Tax will be continued at the present rate of 5% is contrary to assurances he gave a year ago that with the end of 1941 the rate would drop back to 2%.

In his 1940 budget address, Mr. Hepburn said:

"I do not, at this time, suggest that the increase shall form a permanent part of the fiscal system of the province and, with this in view the bill to amend the act will contain a provision by which the taxing sections of the bill expire with the year 1941."

The increase was claimed necessary to meet an expected emergency in provincial finances. But as Mr. Hepburn is able to report an interim surplus of $12.6 millions for the fiscal year ending March 31, the emergency would appear to have passed.

He estimated last year that the province would receive $15 millions from the higher tax on corporations.

In his 1941 budget speech he stated the revenue from this source would be $23 millions or $8 millions more than the estimate. The excess above the estimated receipts from corporation taxes is approximately two thirds of the indicated surplus. So that Mr. Hepburn could easily lower the corporation tax to the previous level, as he indicated he would a year ago, and still have a comfortable surplus.

In spite of this in his 1941 budget speech he stated:

"For the fiscal year which begins April 1 next, all the tax measures which were in force during the present fiscal year will be continued. A bill to continue the Corporation Tax Act at present rates will be presented."

Despite the increased taxes, industry is called on to pay the Dominion to meet war expenditures, the Ontario Government apparently must exact sufficient revenues to enable it not only to meet ordinary expenditures but to show a substantial surplus as well.

T. C. A. Is Taking Over Air Line to P. E. I.

From Our Own Correspondent

MONTREAL.—Trans-Canada Air-Lines is taking over operation of a feeder service connecting Prince Edward Island with its main service at Moncton, N.B., effective April 15. The feeder line has been operated by Canadian Airways Ltd.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Issued	Sold to	Rate	Due	Amount	Price	Yield
Lachine R. C. Schools, P.Q.	Mar.	Bank Can. Nationale	4½%	1942-64	$19,000	98.00	.....
Drummondville, P.Q.	Mar.	Harrison & Co. and Bank Can. Nationale	4% 4%	1942-61 1942-60	118,400	98.75	4.12%
Dominion—							
Canada Treasury Bills	Apr. 2	....	....	July 4, '41	25,000,000	99.847	.600%

Defer Dividend On Tramways

From Our Own Correspondent

MONTREAL. — Montreal Tramways Co. directors have decided to defer action on the quarterly dividend due at this time. Decision was probably influenced by the fact that on July 1 next, first mortgage bonds mature. Prospects are that the company will not be in a position to redeem these bonds, $21 millions outstanding, and it may be necessary to seek certain concessions from the bondholders.

Montreal Tramways has paid dividends on the capital stock regularly for nearly 21 years. No dividends were paid in 1919. In 1920 dividend of 20% was paid, including equalizing dividends with respect to the years 1918-19, bringing total payments to 1922 to a uniform 10%. This rate was maintained until 1932 when the distribution was cut to 9¾%. The rate was again reduced to 8¾% in 1933 and increased to 9% from 1934 to 1938. In 1939 distribution was cut to 6¾%, though the quarterly rate was reduced to 1½% during that year.

Hits United Securities

Deferment of action on the dividend of Montreal Tramways is a matter of considerable concern to United Securities Ltd. This company, which is jointly controlled by Montreal Power and Shawinigan, owns 38,336 shares of Montreal Tramways' stock, or 54.77% of the total outstanding issues.

United Securities' income from this source, on the 6% basis, has been $230,016 per annum.

Without this revenue it is difficult to see how United Securities will continue paying interest on its outstanding collateral trust bonds. In the fiscal year ended March 31, 1940, the company had outstanding just over $4.2 millions of the 5½% collateral bonds on which interest charges for the year totalled $235,489.

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Company Reports

C. N. Steamships

Substantial improvement is reported in earnings for Canadian National (West Indies) Steamships Ltd. in 1940. Revenues for the year totalled $5,750,341, as against $4,642,306 the year before. After providing for bond interest, but before depreciation and interest on government advances, there was a surplus of $666,101 which will be paid to the Government as interest on advances, both current and arrears. The corresponding figure in 1939 was $153,859.

The consolidated balance sheet as at the end of 1940 shows the Dominion of Canada account of just over $9 millions, a decline of over $300,000 during the year. Current advances from the Dominion now stand at $666,101, as against $1,053,859 a year ago. On the assets side of the balance sheet cash shows an increase from $741,669 to over $1.1 millions. Accounts receivable advanced from $59,556 to $339,965, while agents' accounts increased from $134,597 to $315,261.

There was no change in the size of the fleet during the past year, or in services provided, while the number of completed voyages was one less than in 1939.

Comparative figures on the profit and loss statement follow:

Consolidated Income Account
Year Ended Dec. 31

	1940	1939
Oper. revenue	$5,750,341	$4,642,506
Oper. expenses	4,545,306	4,018,447
Net revenue	1,205,035	623,859
Less: Bond interest	470,000	470,000
U. S. exchange	68,933	......
Bond discount	3,094	3,094
Govt. interest	346,661	346,365
Depreciation	329,080	328,829
Deficit	12,733	524,429

Working Capital

Current assets	$1,866,733	$1,150,883
Current liabilities	1,320,920	683,812
Working capital	545,613	467,071

Cub Aircraft

Completion of a new plant at Hamilton Municipal Airport is reported by Cub Aircraft Corporation, Hamilton, in its statement for the year ended Oct. 31, 1940. The new premises include facilities for assembly and repair of aircraft, hangar, classrooms and accommodation necessary for the company's training schools.

Operations for the year resulted in a loss of $20,397. Ewart R. Angus, president, states that the company is in the formative stage, and a substantial part of operating losses may be regarded as development costs. Directors feel the company could help the war best if called on to provide aircraft for training purposes, but this opportunity has so far not been afforded, Mr. Angus said.

Income and Deficit Account

	Year Ended Oct. 31 1940	Aug. 16 1938 to Oct. 31 1939
	$	$
Loss for year	20,397	*428
Less: Pref. dividends .	....	495
Deficit for year	20,397	.69
Less: Prev. surplus ..	726	1,097
Profit on bonds	216	......
Add: Prior yr. taxes .	66	302
Prior yr. charges ..	3,352	......
Prem. red of pfd. ..	129	......
Deficit forward	23,002	*726

*Profit or surplus.

Working Capital

	1940	1939
	$	$
Current assets	104,100	84,782
Current liabilities ...	28,260	7,661
Working capital	75,840	77,121

Viau Ltd.

Viau Ltd. reports operating profit of $202,401 in the year ended Jan. 31, 1941, compared with $211,960 in the preceding year. Provision for income and "excess" profits tax was $70,662 in 1941, against $26,435 in 1940. Net profit was $58,100, equal to 24 cents a share on the common stock in 1941, against $85,543, or 84 cents a share, on the common in the previous year.

Net working capital declined from $471,355 to $232,789. Outstanding funded debt of $295,300 at Jan. 31, 1940, was redeemed during the year and replaced by a bank loan of $180,000. The annual report notes that interest payable has been substantially reduced by this refunding.

There was a decrease in fixed assets during the year, following replacement of obsolete ovens and other units. Reserve accumulated for depreciation of machinery at the end of the preceding fiscal year was judged inadequate and the company appropriated an amount out of earned surplus to increase depreciation provision. It is stated that further adjustments will be necessary.

The company has made application to Ottawa to receive more favorable treatment under the excess profits tax.

Income and Surplus Account
Years Ended Jan. 31

	1941	1940
	$	$
Gross earnings	508,023	499,337
Less: Oper. exps.	305,622	287,377
Net oper. earns.	202,401	211,960
Add: Sundry rev.	6,065	4,039
Net earnings	208,466	215,999
Less: Bond int.	15,987	17,475
Other interest, etc. .	1,855	283
Depreciation	46,019	48,491
Bad debt res.	13,500	15,000
Inc. & prof. tax	70,662	26,435
Group insurance ...	2,343	2,772
General res.	......	20,000
Net profit	58,100	85,543
Less: Pref. divds. ...	47,300	47,300
Surplus for year	10,800	38,243
Add: Prev. surplus ...	116,687	78,564
Cont. res. reinstated	20,000	......
Bad debt res. reinstd	5,000	......
Less: Red. bond prem.	4,212	120
Deprec. res. adjust.	36,397	......
Inc. tax adjust.	9,101	......
Surplus forward	102,777	116,687

Working Capital

Current assets	530,787	613,626
Current liabilities	297,998	142,271
Working capital	232,789	471,355

Balance Sheet Changes

Cash	57,745	217,645
Receivables (net)	256,628	192,487
Fixed assets	1,146,165	1,302,862
Depreciation	423,632	418,781
	722,531	884,081
Bank loan	180,000	......

John A. Lang

Annual report of John A. Lang & Sons Ltd., Kitchener, and its Chicago subsidiary, Frontier Tanners Corp., show lower profits in 1940, due principally to lower volume and higher taxes. Higher than normal sales in the last quarter of 1939 resulted in accumulation of inventory by the company's customers, reduced demand in 1940. The British Government ban on leather imports in June, 1940, further reduced volume.

Dividends of $1 per share in 1940 included regular rate of 70 cents per annum plus an extra of 30 cents in respect of 1939 earnings. An extra dividend of 12½ cents was paid Apr. 1, 1941.

Consol. Income and Surplus Account
Years Ended Dec. 31

	1940	1939
	$	$
Operating profit	244,204	326,242
Less: Exec. salaries ..	29,966	33,645
Directors' fees	1,200	750
Legal fees	11	416
Net oper. earnings ...	213,027	291,431
Add: Interest received	6,565	1,229
Life ins. credit......	4,116	......
Bad debts adjust. ..	561	......
Prof. sale assets	503	......
Net earnings	224,772	292,660
Less: Depreciation ...	9,098	8,371
Life ins. cost	......	1,670
Income taxes	73,427	57,061
Net profit	142,247	225,558
Less: Dividends	100,000	70,000
Surplus for year	42,247	155,558
Add: Prev. surplus ..	587,278	431,720
Surplus forward	629,525	587,278
Earned per Share:		
Common	$1.42	$2.26
Paid	1.00	0.70
Common Shares O/s .	100,000	100,000

Working Capital

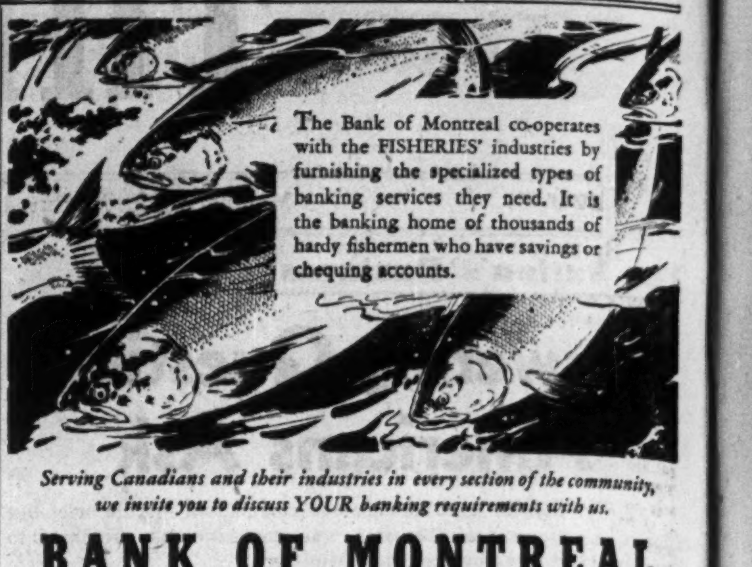
	1940	1939
	$	$
Current assets	951,206	914,035
Current liabilities	100,461	101,248
Working capital	850,745	812,787

Jamaica Utility To Spend $400,000

From Our Own Correspondent

MONTREAL. — Jamaica Public Service plans a capital outlay this year of $400,000. Principal item is an additional steam unit to increase steam capacity over 50%. Last year the company spent around $150,000 to accommodate oil tankers.

Revenues of the operating unit are high.



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Utility Prices Softer Still After Quebec Proposal

From Our Own Correspondent

MONTREAL. — Capital stocks of privately owned power utilities in Quebec have been under selling pressure the past week. Values have dropped lower than at any time since the depression.

Montreal Power's common dropped below 23 momentarily this week and recovered fractionally, a drop of 2½ points in two weeks. Beauharnois's common dropped from 9¼ to 7½. Other utilities, like Shawinigan, Gatineau Power and Quebec Power are selling lower, but their losses are considerably smaller.

Steady Selling Pressure

The selling pressure has not been marked, but it has been steady. In the case of Montreal Power the sales are all in small lots, mostly 25 shares.

While the selling is mainly attributed to Premier Godbout's announcement that the province would expropriate Beauharnois, still that is only a partial reason.

The price of Quebec utility stocks has been declining perceptibly for weeks and even months.

Selling for Some Time

There has been a comparatively heavy volume of Montreal Power stock changing hands for over a year. Outwardly there would appear to be indications of liquidation of a large block of stock, but enquiries fail to support that theory. On the other hand there has been reappraisal of the investment value of all utility stocks.

The trend of values for power stocks is shown in the following table, covering the high and low for 1940 and the current price:

	— Price Range —		
	1940		1941
Stock:	High	Low	Current
B. C. Power "A" ..	30	23	23¼
Beauharnois	9½	9	7½
Gatineau	16⅛	9	7⅛
Mont. Power	31¾	25	23½
Ottawa Power	16	9¾	8¾
Quebec Power	17¼	13	12⅛
Shawinigan	24¼	16	15
Southern Canada ..	15	9¼	10⅛
Wpg. Electric "A"	2.63	.50	.80

B. A. Oil Adds To Its Surplus

After allowing for increased depreciation and taxation and providing for all other expenses, earnings of British American Oil Co. from Canadian operations in 1940 more than covered dividends paid, states J. C. Miller, treasurer, in a note accompanying payment of the April 1 dividend. The company pays regular $1 a share dividends.

The 1940 annual report will be mailed shortly, together with notice of the annual meeting to be held about the end of April. Mr. Miller states that "several matters of paramount interest will be brought to the attention of shareholders at such meeting."

Public Utility Earnings

Brazilian Traction
February Earnings

	1941	1940	Incr.
	$	$	%
Gross earnings	3,175,360	2,873,298	10.51
Oper. exps. ...	1,507,400	1,440,270	4.66
Net earnings ..	1,667,960	1,433,028	16.39
Two Months Ended February			
Gross earnings	6,467,650	5,861,296	10.35
Oper. exps. ...	3,096,743	2,912,106	6.35
Net earnings ..	3,370,743	2,949,190	14.29

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London Calling

By Atticus

Churchill Wields the Lash on Parliament — In Britain King Alfonso "Has Left a Kindly Memory"

LONDON.—Mr. Churchill was not in a benign mood when he met the House one recent Thursday. He looked tired and irritable, as well he might, and quite failed to emulate the immortal Captain Corcoran of H. M. S. Pinafore, whose invariable matutinal greeting was "My gallant crew, good morning." We were about to debate the bill which was to regularize the appointment of M.P.'s to offices, with or without profit, which would take them away from their Parliamentary duties while permitting them to retain their seats.

On the previous evening the Labor Party executive had met, and had taken the awkward decision to call off the Whips and allow the Socialist M.P.'s to vote according to their conscience or their mood, whichever happened to be in the ascendant at the moment. Mr. Churchill had no intention of according a similar liberty to the Conservatives, and obviously had come to the same conclusion as Abraham Lincoln that you could not carry on "half slave and half free." Therefore, when some private member rose to enquire if there would be a free vote for the whole House, Mr. Churchill frowned like Mr. Squeers and said that not only would there be no such thing but that he would treat the whole matter as a vote of confidence.

At this there were murmurings and mutterings on every hand, but the Churchill jaw stiffened and the Churchill brow darkened still more.

• • •

Changing Moods

A Tory M.P. with a somewhat glassy eye expressed his feelings to me about the episode in words that deserve recording: "It's like being married to a wife," he said, "that you treat decently and loyally and never give her any cause for complaint; and then one day you say you don't like her hat and she says that if you don't change your mind about the hat she'll consider it grounds for divorce." I must say that I felt somewhat in agreement with him. None of us want to get rid of Mr. Churchill as War Premier and, therefore, since he made it a matter of confidence, it was quite obvious that there could be no division over the Bill. There can be no dispute that the Socialists started the trouble by their unilateral decision the night before, but there was a general feeling that before Mr. Churchill laid the lash across our shoulders he might at least have gone through the form of explaining that it hurt him more than us.

Perhaps this occurred to him as the debate wore on for he mixed with the members "off stage" and was as benign as Mr. Pickwick himself. When he wound up he spoke for an hour (I am told he had given three hours of the previous night to its preparation) and was so witty and wise and magnanimous that it was not until we were on our way home that we felt again a curious soreness about our shoulders.

• • •

Off to Burma

In the discussion on peregrinating M.P.'s one name did not occur for the good reason that its owner has vacated his seat as well as the country. I refer to Sir Reginald Dorman-Smith, who has taken on the post of Governor of Burma after a truly bewildering political experience. This good-looking young man came into Parliament in 1935 at the age of 36. His background was Harrow, Sandhurst, the Army and farming. In the debates he sat usually in the cross-benches, that refuge for disembodied political spirits that allows a member to listen but not to speak. As far as one could see he was devoid of political ambition and was agreeably modest.

Then, however, he was elected head of the Farmers' Union and went off to Australia to attend an Empire Agricultural Conference. On his return he appeared in the Birthday Honors as a knight. Two years later he was catapulted from the cross-benches to the Treasury Bench as Minister of Agriculture on the assumption that a farmer could not do worse with that department than a townsman. In other words, from being a disembodied spirit he became a doomed one. Almost immediately, however, and before his decline set in, he was made a Privy Councillor. Actually he spoke well and worked hard administering a policy that had never existed. When Mr. Churchill came into power Sir Reginald went back to the Army. He looked well in uniform, but fate was not finished with him. Quite suddenly it was announced that he had been made Governor of Burma.

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King Alfonso

No foreigner will ever understand the unpopularity of the late King Alfonso in Spain. He had so much that would normally appeal to the Spanish temperament. He was gay, spectacular, courageous, artistic and romantic. He was also a great sportsman and a first-class shot. One could quite easily imagine him driving from the palace to the bullring and chancing his life as a toreador. Perhaps the answer is found in the strange character of the Spanish people, who love their country with absolute passion, but seem utterly unable to achieve internal unity. As a Hapsburg, King Alfonso may have felt that he belonged to a vanishing order, but he sealed his own fate when he consented to rule in conjunction with a dictatorship.

There was nothing glorious about the King's departure from Madrid. Like the ex-Kaiser, he stood not on the order of his going, but went. His wife and children followed, and fortunately reached sanctuary without mishap.

In a country where political differences become personal vendettas; where provinces, parted by the mountain barrier of the Sierras, preserved not only ancient customs but also ancient quarrels; and where not to be an extremist is not to seem sincere, Alfonso tried to make a success of constitutional monarchy. He tried it at the end of ninety years of civil war, which had lost Spain the whole of her overseas Empire, and his efforts were interrupted by very many attempts on his life. Hardest of all, his people were convinced that misfortune had marked him for its own. Was he not the thirteenth Alfonso? Did not the one remaining place for a coffin in the vaults of the Escurial, where Spain's kings lie apart, foretell that he was to be the last of his dynasty?

Did not the blood of Europe's most unhappy royal houses, the Bourbons and the Hapsburgs, combine in him? But among us in Britain he has left a kindly memory. The courage that steeled him to face a succession of assassins burst out again in the last war, when alone in a pro-German court he dared to be pro-Ally, and his friendship was not limited to words. Warmly, energetically, effectively, he worked for the British prisoners in Germany; and there are many men in Britain today who owe it to him that they preserved their life and health in the prison camps of the last war.

WINSTON CHURCHILL

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In Sofia

Mr. George Rendel, British Minister to Bulgaria, is reputed to be a man of few words, but recently he let himself go in no uncertain fashion. In an address to journalists in Sofia he told them that Bulgaria had gone more than half way to please the Germans, that Britain was on the verge of breaking off diplomatic relations, and that war with Britain would follow. For a diplomat that is a refreshing change.

Mr. Rendel, who is 51, was not born to diplomacy. His grandfather built roads, railways, and harbors in many parts of the world (including the harbors of Holyhead and Portland). His father was a professional Civil Lord of the Admiralty, one uncle was consulting engineer to the India Office, and another (Lord Rendel) was a director of Armstrong's and a friend of Gladstone. Out of this background of blueprints and machinery came the present British Minister to Sofia. But his soul must have rebelled, for he took First Class Honors in Modern History at Oxford. Entering the diplomatic service, he went to Berlin, Athens, Lisbon and Madrid, eventually becoming head of the Eastern Department at the Foreign Office. He has only been at Sofia for three years, and must have known that Bulgaria had sold her soul even then.

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Brave Obstinacy

When Sir Frederick Banting was born in Canada he inherited three great things—obstinacy, curiosity, and physical strength. In the last war, fighting with the Canadians, he refused to let them amputate his wounded arm. That was typical of him in everything. Not long after his return to Canada he began his research which was to result in the discovery of insulin. He fought against indifference, he financed on a shoe-string, he borrowed and pawned to keep going, and in rough surroundings with the dogs he was using for experiments he gave to humanity one of the most merciful discoveries of all time.

Now he is dead, killed in a plane that was to bring him to London. The sadness and waste of his passing are grievous, but his immortality will be in the generations yet unborn who will bless his name.

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New Workers Are Fed Into Plant By "School of Experience" System

This is the fifth of a series of articles on the training systems by which industry itself is "making" the thousands of new workers required for Canada's wartime industrial expansion. The following report deals with the methods followed by Canadian Westinghouse Co. Other articles in the series will appear in early issues of The Financial Post.

By GUY S. CUNLIFFE
Staff Writer, The Financial Post

To swell bread to the desired size and texture, a housewife puts in yeast that diffuses through the dough and works while the bread is being baked.

Similarly, Canada's wartime labor army has been expanded and given the necessary degree of skill by a vital leaven of recruits-in-training.

For the most part unskilled "raw" workers, these are being turned into qualified operators in Canada's factories through plant training, and "upgrading" while they work.

Mutual Action

Yeast and the dough complement each other and work in union to produce a finished loaf of bread. So these new war workers and existing skilled staffs are being fused by mutual action, to create the vastly enlarged labor forces for operations on the industrial front.

The required thousands of new workers are being "made" largely by diffusing recruits and trainees through the "dough" of basic plant payrolls. The original staffs work by instruction and example on the recruits. The latter in turn steadily expand the working strength and sum total of effective skills of plant labor as a whole.

Work as They Learn

In some cases, special plant schools and other facilities devoted primarily to training new workers, are operated in war plants and allied industries. But in the majority of plants—and to some extent in the plant schools—the recruits learn by doing the actual factory operations.

The more they work the more they learn, starting on the simpler operations—perhaps practice work at first—and then moving on by up-grading to work calling for moderate or "semi" skills.

"The "school of experience" system, based mainly on precept and direction from experienced men already on plant payrolls, is naturally most effective where there is a relatively large original staff to begin with.

In big plants with substantial payrolls, there is a broader basis through which the trainees may be diffused, more interstices into which they can be fitted without disrupting regular operations. Sufficient regular workers can be assigned as mentors for the new men without absorbing too high a proportion of skilled men for instruction.

Westinghouse Plan

A notable illustration of this is the plant of Canadian Westinghouse Co. at Hamilton. Engaged normally in manufacture of a wide variety of electrical machinery, apparatus and consumer goods, the company's regular payroll runs to several thousand persons. Since the war the company has occupied an increasingly important place in filling greater demands from industry and commerce, and in contributing to the expanded scope of Canadian industry's war effort.

When the company could no longer expand its payroll with experienced and qualified men, it tapped the ranks of Canadian youth for additional recruits. The majority of these have been technical school boys of 17 or 18 years of age, but some have been taken on without technical school advance training and a few older men have been hired for plant training.

Put Into Production

Regardless of whether they came from a technical school or were entirely "green," the new workers have been put right to work in production operations, under work supervision or with direction from special instructors drawn from the existing plant staff. They have been dispersed through the different departments of the plant—both for war work and regular production—but mostly in sections requiring machine operation.

Bolstering the payroll expansion and limiting the necessity of taking on new workers, has been the regular apprenticeship system of the company. This has been in operation for some years, and has been a valuable asset in building up the skilled staff of the company. This supplied some of the extra workers required for expanded operations, but the nature and length of the courses are not suitable for developing scores of new, semi-skilled mechanics in the short period required.

Steps in Method

The emergency system has been able to turn out qualified men for particular operations in from two to three months. After general instruction in the operation of lathes, drilling machines, shapers, milling machines, etc., the boys are then concentrated on learning how to use special machines and carry out specific phases of production. Finally they are put into production without supervision or instruction, and moved up as rapidly as possible to more difficult work.

A great many women workers—between 700 and 800—are employed in the Westinghouse plant. They have been used principally on operation of automatic units, such as screw machines. Most of the girls were taken on new and "green," and as they had no technical school training have had to be trained completely by the company.

For the boys taken on, much of the preliminary training has been done in the technical schools, which were kept advised as to the company's coming requirements. This has made it easier to feed the new recruits directly into regular production operations, under work supervision or with supplementary instruction as they work.

There are half a dozen instructors drawn from the regular skilled staff to give all or most of their time to training the new workers. In addition, there are 20 to 30 "watching" instructors or supervisory teachers scattered through the plant with from one to four or five boys under their care.

New Books

Sinclair as Novelist

BETWEEN TWO WORLDS. By Upton Sinclair. Published by Macmillan Co. of Canada, Toronto. Price $3.50.

After a lifetime of literary muckraking, Socialist Upton Sinclair has taken to the writing of fiction. This is the second book in what promises to be at least a trilogy. It carries the hero of "World's End," Lanny Budd, through the thumping 1920's and to the beginning of the dark depression that brought on the war.

If Sinclair has a social motive in his novels, it is not outwardly apparent, except to the degree that his Hollywood-like expression of the life of the leisured classes may be designed as a grand satire upon wealth. Perhaps the first two volumes are written—like the first two acts of a three-act play—to prepare the audience for the great denouement and the clinching of the final moral lesson.

"Between Two Worlds" is fast-moving and readable. The scene is set in Europe and most of the great figures of the period, and all the great events that made international news, are skilfully woven into the tale, or tales, the author spins.

News Reel Drama

I WITNESS. By Norman Alley. Published by Longmans, Green & Co., Toronto. Price 3.50.

The newsreel cameraman, too, is a reporter of the news, if not of history. Norman Alley is one of the veterans of a profession that provides more excitement than personal fame for its members. He has filmed all the great and near-great of the present generation.

He chased Villa into Mexico; he filmed the sinking of the Eastland in Chicago harbor; he accompanied the "Flying Family" of Hutchinson's on their venturesome attempt to fly to Europe via Labrador and Greenland; he took the cap off his lens in order that world audiences might see the slaughter of the innocents at Shanghai and the rape of Nanking; he was aboard the Panay when Japanese bombers deliberately and murderously sank it; he saw the German invasion of Holland and he pedalled a bicycle, his camera slung over his shoulder, behind the German armies marching into Belgium and France.

All these adventures and a hundred more he tells in this, the first full-length confession of a tough battler in the pugilistic ring where newsreel knockouts are scored.

Some of the yarns are little gems, not the least chuckle-rousing being the story of how Alley made a fool out of Lindbergh, a story too good to reveal in a review. Another chapter tells of how Alley beat the Toronto "Bugle"—a transparent disguise—out of its promotional monopoly on pix of the Dionne Quints.

Best and most revealing chapters of all show in naked detail how Hitler's Fifth Column operated in Holland. Alley claims credit for having tipped the Netherlands authorities off to the grey-suit-grey-hat-raincoat disguise worn by the Nazi agents to enable them to recognize each other. He reports that over 5,000 were rounded up after his tip and 4,600 of these were killed when the Germans demolished Rotterdam.

Alley may be exaggerating here his own rôle in the episode; one senses exaggeration in many of his stories, such as when he assumes that it was his conversation with a Royal Canadian Mounted Policeman that led to Ontario making the Crown guardian of the quints, and when he describes Anticosti Island in 1932 as still being the private world of chocolate-maker Menier.

The story is written in "rough and tough" language and it is a fair guess that it was "ghosted." The incredibly brilliant slang is apparently the product of one Charles Saxon, a hitherto unheralded "Bugs" Baer.

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Philip A. C. Ketchum, M. A., B. Paed., Headmaster

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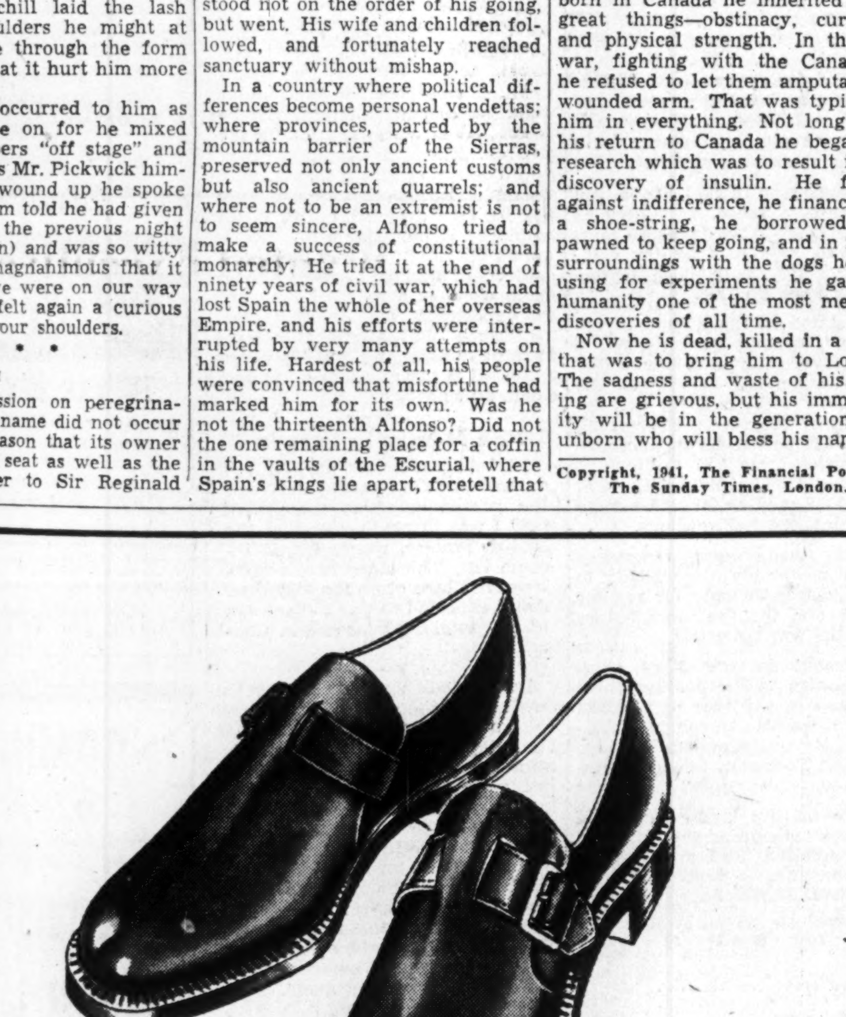

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Here's the new semi-military shoe that has become such a big favorite for civilian wear! No wonder it's so popular — It combines the durability of heavy construction with the comfort of a flexible sole! Come in and try on a pair at Simpson's. Note the snug, easy way they hug your foot — the supple restfulness of the pliable sole! Then choose from black or brown calf; strap through the tongue (as illustrated) or across the tongue. Sizes 6 to 12. Pair $8.

Other types, $5.50, $6 and $7

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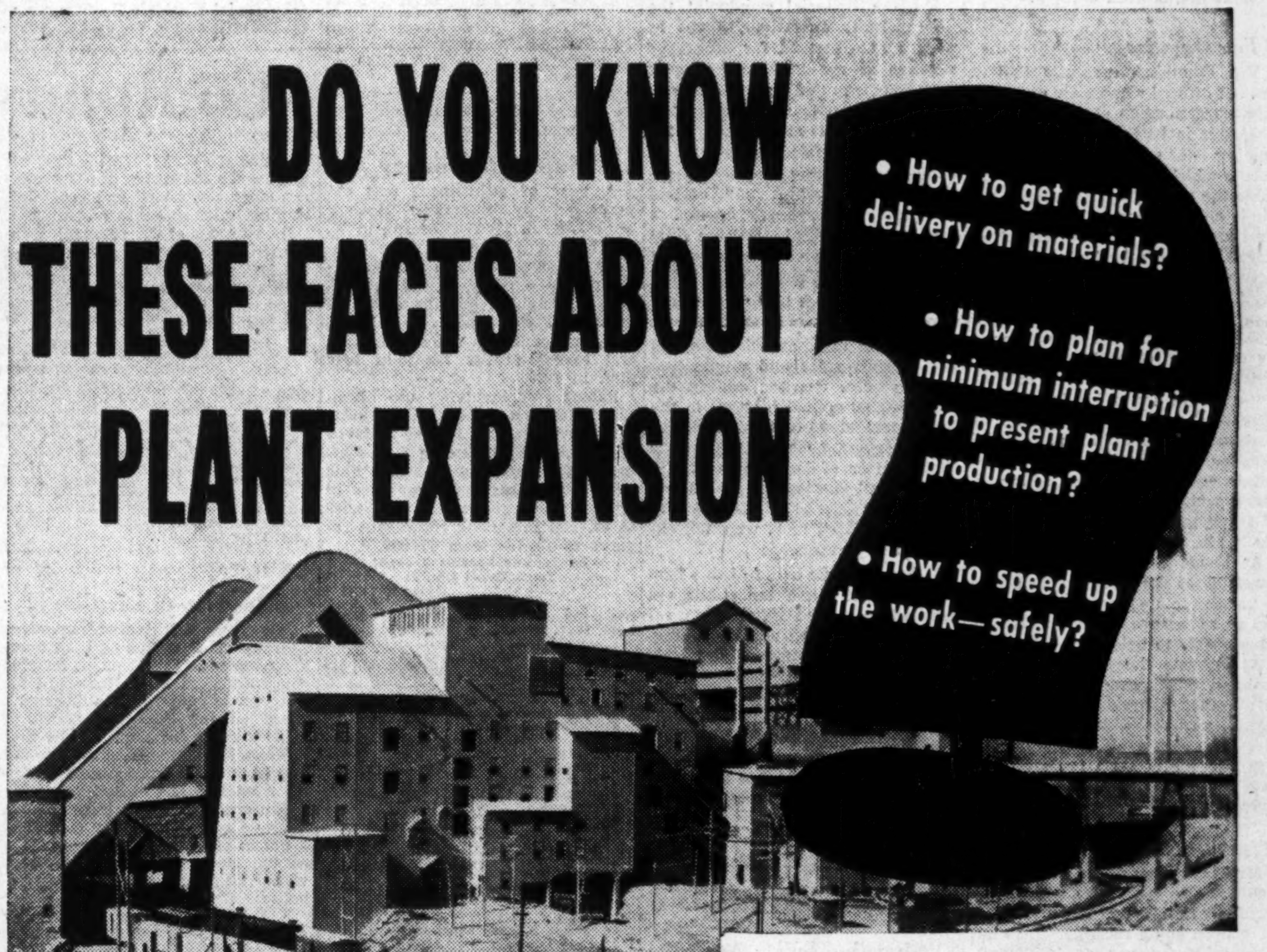

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- How to speed up the work—safely?

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Investment Trends

New Approach Taken To Abitibi Problem

McTague Commission Would Adopt Two-stage Scheme and Recommends Drastic Changes in Company Laws

Report of the Royal Commission on Abitibi Power & Paper Co., just released and reviewed elsewhere in The Post, can be divided into two parts. As forecast in The Financial Post some months ago, the Commission, under the chairmanship of Mr. Justice McTague, makes this an opportunity to recommend some badly needed changes in our company legislation. The report also contains, in general outline, a plan for reorganizing Abitibi, using a moratorium, or status quo basis, with the complete job to be finished later.

First reaction of investors to the report was not remarkable. There was some strengthening in prices of the bonds and some decline in the preferred.

It is too soon to know what the chances are of constructive action resulting from the Commission's plan. To date, comment has been confined largely to asking questions and speculating on the details which are lacking. It is known that influential bondholders were favoring a scheme some months ago which resembled that adopted by the Commission in many ways. This gives rise to hope that this plan will not be doomed before it gets to the voting stage as so many have been in the past.

* * *

Obsolete Machinery

The analysis of Canada's machinery for company reorganization brings before the public something that has lagged too long. Canada is out of date in this regard, as evidenced by the Abitibi case itself. To alter the law so as to permit the courts authority to have appraisals made and to determine just how far the equity in the bankrupt company can be stretched would lessen undesirable delays. It would provide the machinery for working out plans quickly and fairly, for sick companies.

Of course, it is recognized that this is only the barest outline of what would be needed. Perhaps the most important missing factor would be a judiciary adequately trained and experienced in the highly specialized matters which would come before it in increasing numbers. The alternative to this is complete codification of laws.

Also of interest is the secondary matter of the uses and abuses of deposit agreements which the Commission thinks need curbing.

* * *

A Few Questions

The Commission admits that it has not offered a complete and definite reorganization plan for Abitibi. That this is true is clear from the number of questions that arise. Points which need clarification include the methods of redeeming the bonds and the ways of settling interest arrears. It has been suggested that there would be little difficulty in getting the amount of bonds outstanding reduced to $35 millions from the present $48 millions.

There is the present excess working capital of several millions and possible realizations from sale of non-essential assets. If these sums were used now to buy in bonds at discounts of about 30 points, the question of interest arrears would not bother the company so much. But it would not take the purchase of many millions of bonds to raise the price substantially.

As bonds get to par what happens? Does the company then have to pay for interest arrears, thus giving an advantage to the bondholder who is able to hold on?

At any rate the plan so roughly outlined does recognize the possibility that shareholders have an equity, perhaps a substantial one. How soon they could realize upon it however would seem to depend on how good progress could be made in reducing the bonds outstanding.

* * *

Advertising Pays

Much has been said about the difficult times through which the Stock Exchanges and their members have been going recently. Less has been said, however, about successful moves to counteract the unfavorable forces against which this business operates.

We do not know whether the New York brokerage of Merrill Lynch, E. A. Pierce and Cassatt is the world's largest or not but it must come close to it.

* * *

In the last quarter of 1940 this firm handled 10.8% of the reported volume of the New York Stock Exchange. It was formed April 1, 1940 and since then has broken more than one precedent. The latest is to issue a complete and "streamlined" annual report to its customers and the public. This column has in the past referred to the unusual advertising programme of this Stock Exchange firm. The annual report reveals that $140,000 was spent on this programme in 1940. C. E. Merrill states: "We believe the results justify enlarging the programme in 1941." Whether this was due to advertising or not, it is still a fact that this firm opened 12,842 new accounts during the nine months ended Jan. 3 last, increasing in customers to 50,000.

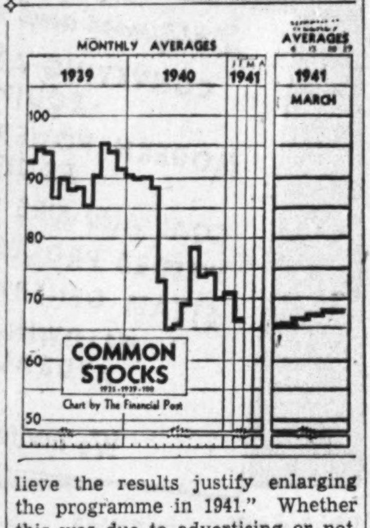

Chart by The Financial Post

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Constructive Measures

From a financial standpoint the nine months operations, about as poor a nine months for brokerage revenue as the business has ever witnessed, resulted in a net loss of only $36,594 on total income of $4.2 millions. This is after allowing for all expenses, including salaries of partners. Writing down of exchange memberships and certain non-recurring expenses created a total loss of $308,621. But the final quarter of the year showed a net profit after all charges of $140,000.

Among measures taken by Merrill Lynch last year were the following:

Reduction in commission charges and interest rates and elimination of all service charges, costing the firm $300,000 annual increase in the firm's percentage of total stock exchange volume from 9.2% in the first quarter of last year to 10.8% in the final quarter; no general reductions in salaries, either last year or contemplated now, with the exception of partners.

It has been the belief of this firm that customers and the public are entitled to fullest information regarding its position and operations. Moreover, in carrying out this policy, Merrill Lynch has been able to turn it to advantage. In its advertising programme, in its report to the public and in its businesslike way of reorganizing its affairs, this firm stands as a model to Stock Exchange member firms everywhere

Honey Dew Sales And Net Higher

Shareholders Approve Capital Increase — New Shop in Ottawa

Shareholders of Honey Dew Ltd. approved increase in authorized capital from 27,170 shares to 50,000 shares at the annual meeting. No announcement was made on plans for issuing additional shares but it is understood that this may be done, if and when, the company needs more capital in its modernization and extension programme.

One modernized shop has been opened this year in Ottawa with sales increases up to 50% resulting.

E. P. Taylor, president, told shareholders that both sales and profits for the current year which began Nov. 1 last are ahead of corresponding periods of the preceding year. He added that the company expected to be able to maintain the dividend policy inaugurated last year when 50 cent quarterly payments were started in July.

Significant Investors' Index Numbers

No. of Securities	Mach. and equip. 8	Pulp and paper 7	Milling 3	Oils 4	Textiles and clothing 10	Food and allied prod. 12	Beverages 7	Bldg. mater. 15	Power and traction 15	Banks 8	Total utilities 19	Total co's. 95
(Base 1935-39 = 100)												
1929-40:*												
High	345.7	364.5	322.3	212.5	168.2	123.2	163.1	202.1	297.5	160.9	329.3	180.7
Low	68.5	49.8	63.6	46.5	76.0	76.9	67.0	71.2	68.2	84.6	68.4	64.0
1941:												
Monthly Figures:												
Jan.	77.6	74.1	72.3	51.6	110.6	96.8	104.3	84.0	75.4	94.7	77.3	71.3
Feb.	72.9	63.8	69.5	43.7	105.0	90.1	96.6	77.3	68.8	90.9	71.3	66.5
Weekly Figures:												
Mar. 6	72.1	61.5	69.8	48.7	101.7	87.6	93.7	75.0	67.0	90.2	70.0	65.8
Mar. 13	73.0	63.7	69.7	49.0	103.0	88.8	93.6	75.5	66.3	89.7	70.2	66.3
Mar. 20	74.4	68.3	69.2	49.9	102.5	88.1	93.8	79.6	67.6	89.7	71.2	67.2
Mar. 27	73.9	65.8	69.4	50.2	103.5	87.6	93.9	80.8	67.7	90.0	71.2	67.3
Mo. ago	72.0	61.0	69.1	48.6	102.1	87.4	96.4	75.3	67.5	90.2	70.1	65.6
Yr. ago	106.8	112.0	111.5	77.9	134.6	115.3	109.6	104.5	91.8	102.3	92.8	89.8

*High and low for year from 1929 to 1940 inclusive are based on weekly figures compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indust.	20 Golds	10 B.M.	15 W.O.
Apr. 1	94.15	103.21	64.22	19.31
Mar. 31	93.61	102.09	64.10	19.27
Mar. 29	93.95	101.56	64.52	19.10
Mar. 28	94.22	101.63	64.52	19.12
Mar. 27	94.31	101.92	64.44	19.10
Mar. 26	94.21	101.25	64.00	19.19
Month ago	91.64	100.45	63.78	19.04
Year ago	123.93	111.72	81.66	29.45
High 1941	103.48	109.76	69.33	21.62
Low 1941	89.66	97.36	62.40	18.80

Montreal Stock Exchange Averages

	10 Util.	20 Ind.	30 Chd.	10 Pprs.	15 Golds
Apr. 1	48.0	57.7	54.5	68.76	76.27
Mar. 31	47.1	57.8	54.3	67.85	76.52
Mar. 29	47.8	57.5	54.3	66.83	76.55
Mar. 28	49.3	57.8	55.0	67.14	76.62
Mar. 27	49.2	58.3	55.3	67.82	76.70
Mar. 26	48.9	57.9	54.9	66.95	76.28
Month ago	48.9	55.4	53.2	63.29	76.52
Year ago	66.7	88.0	80.9	134.94	89.40
High 1941	54.3	56.4	62.3	82.25	79.99
Low 1941	48.1	55.1	53.0	61.02	75.77

Distillers Net Off Sharply

Second Quarter Sales Higher, But Expenses Cut Net Profits

From Our Own Correspondent

MONTREAL. — Distillers Corp.-Seagrams Ltd. statement for the quarter ended Jan. 31, 1941, shows a sharp increase in sales. This was offset by an advance in the cost of goods and general expenses, leaving net profit at $695,785, as against nearly $2.5 millions for the like quarter a year ago.

For the half year ended Jan. 31, 1941, the company had sales of $2.6 millions. This compares with $51.7 millions for the same period of the previous year. The cost of goods for the past six months increased by $10 millions, general expenses nearly $5 millions, leaving net profit at just under $2 millions, as against $5.9 millions for the six months ended Jan. 31, 1940.

Comparative figures in the profit and loss account for the quarter ended Jan. 31 and six months ended on the same date, 1941 and 1940,, respectively, follow:

Quarter Ended Jan. 31

	1941 $	1940 $
	(U.S. Funds)	
Sales	36,354,517	26,197,027
Less: Cost of goods	25,810,611	17,617,848
Add: Misc. income	107,167	489,341
Total earnings	10,651,073	9,068,520
Less. General exps.	8,931,636	5,302,394
Directors' fees	250	225
Exec. salaries	90,519	95,476
Legal fees	84,038	65,381
Interest	131,814	62,139
Depreciation*	45,123	40,360
Loss on assets	35,123	161,726
Inc. & Prof. taxes	623,098	858,710
Exch. adjust.	13,684	......
Net profit	695,785	2,482,105
*Total deprec.:	332,818	280,948
Production	287,694	240,588
Balance as above	45,123	40,360
	332,818	280,948

Six Months Ended Jan. 31

	1941 $	1940 $
	(U.S. Funds)	
Sales	62,624,676	51,672,111
Less: Cost of goods	44,688,071	34,597,610
Add: Misc. income	140,924	522,169
Total earnings	18,077,529	17,596,672
Less: General exps.	13,926,912	9,062,680
Directors' fees	500	450
Exec. salaries	173,399	177,851
Legal fees	142,061	110,224
Interest	201,693	120,530
Depreciation*	88,842	81,164
Loss on assets	88,954	222,037
Inc. & Prof. taxes	1,442,342	1,891,724
Exch. adjust.	22,743	......
Net profit	1,990,080	5,930,008
*Total deprec.:	648,343	562,002
Production	559,501	480,837
Balance as above	88,842	81,164
	648,343	562,002

Says Aluminum Output Doubled During Year

From Our Own Correspondent

MONTREAL.—Volume of aluminum now being produced in Canada is enough to make more than 50,000 airplanes annually, according to R. E. Powell, president of the Aluminum Co. of Canada. Measured by cubic feet, he estimates, this output is greater than the production of any other metal produced in this country, except iron.

In a period of 11 months the Canadian industry more than doubled its capacity and the capacity continues to expand, says Mr. Powell's statement.

Big Power Consumer

A tremendous drive already has been made in the development of the aluminum industry since the outbreak of the war. One-sixth of all the electrical energy generated in the Dominion will very soon be used to make aluminum. This means the industry will use twice as much electricity as is used in all the homes in Canada.

During past years, Canada's consumption of crude aluminum seldom exceeds 10% of its production. The surplus was exported, principally in crude form. Tariffs and other forms of nationalism in those countries did not help Canada to sell for export except in crude form.

In 1938 the foreign business of the Aluminum Co. of Canada came from 59 countries and brought to the Dominion foreign exchange worth $24 millions.

Turn to War Basis

Before the war, said Mr. Powell, Canada's fabricating facilities, more than sufficient for the home market, were used principally to convert metal into articles for peacetime purposes. As a result the country was not well equipped to convert aluminum and its alloys into the forms needed for modern war.

Since Sept., 1939, fabricating and conversion plants in Toronto, Montreal and elsewhere have been improved, and diverted to work for war. Huge new establishments have been built, equipped and put into operation. Consequently this country is now able to deliver aluminum and all the forms required for construction of all kinds of aircraft and, Mr. Powell says, "in quantities amazingly large."

Although the rapid and substantial expansion of aluminum production cost a very large sum of money, Mr. Powell stated the Governments of the United Kingdom, Canada and their allies are now able to buy Canadian aluminum at prices less than those current at the beginning of the war.

Market Opinions

Stock market commentators stress that prevailing prices are low in relation to earning power, even while admitting the many dangers ahead.

Brookmire Counsellor, N.Y. — Stocks are in basically strong position because they are low in price relative to earnings and because the underlying expansion of business continues in progress. . . . Clients must watch just when and how the war blow expected this spring will be struck, yet keep portfolios well-balanced to benefit from the underlying expansive and inflationary trends.

* * *

Barron's, N.Y. (The Trader)—The longer the market approximately holds its own anywhere above the level established in the break of Feb. 14, the solider becomes the base for an ultimate recognition of present-day earning power and yields of American equities.

* * *

Financial World, N.Y.—The recent action of the rails shows that profit opportunities exist in carefully selected situations; some of the members of this group have not exhausted their possibilities. As a general market policy, however, maintenance of substantial reserve buying power is advocated until there is more assurance against disturbing developments abroad and clarification of the profit outlook at home.

* * *

Barron's, N.Y. (The Dow Theorist)—If the industrials should carry above the March 18 high of 123.92, the implication would be mildly bullish, although no important Dow theory indication would be given. Such a break-through could be the precursor of an attempt by the averages to test their November highs of 138.12 for the industrials and 30.29 for the rails. However, if the industrial average continues to fail to get through the March 18 high, its action will suggest the possibility of renewal of the decline. The major and secondary Dow theory interpretations remain bearish.

Company Reports

Supersilk Hosiery

A year of adjustment was experienced by Supersilk Hosiery Mills Ltd., in 1940, according to W. S. Thompson, president. The company lost over $8,000 in foreign collections as a result of the occupation of Belgium, felt the effect of substantial wage increases in Dec., 1939, and paid 70% more in income and excess profits taxes in 1940 than in 1939.

Patent suit involving use of an attachment on full-fashioned knitting machines was settled in favor of defendants, including the company. The company was thus able to use the reserve for royalties in writing down goodwill from $54,049 to $1, and in raising contingent reserve to $30,792 from $10,000.

Income and Surplus Account Years Ended Dec. 31

	1940 $	1939 $
Net profit	72,377	84,333
Less: Pref. divds.	24,678	25,000
Surplus for year	47,699	59,333
Add: Prev. surplus	180,815	121,482
Surplus forward	228,514	180,815
Earned per Share:		
Preferred	$14.70	$17.13
Paid	5.00	5.00
A & B common	0.48	0.59
None paid.		
Shares Outstanding:		
Preferred	4,923	4,923
A common	75,000	75,000
B common	25,000	25,000

Working Capital

	1940 $	1939 $
Current assets	746,638	566,211
Current liabilities	276,516	272,412
Working capital	470,122	293,799

Other Balance Sheet Changes

	1940 $	1939 $
Cash	900	50,321
Accounts rec.	233,996	239,453
Inventories	477,277	252,975
Bank loan	34,155	......
Accounts pay.	132,446	195,408
Charges, incl. taxes	109,915	77,004

Wilsil Ltd.

Wilsil Ltd. reports operating profit of $379,128 in the 52 weeks ended Dec. 28, 1940, compared with $402,629 in the preceding 52 weeks. Income and "excess" profits tax provision in 1940 totalled $137,000, compared with $66,109 for income tax in 1939. Net profit totalled $202,547 in 1940, compared with $299,837. This was equivalent to earnings on the common stock of $1.49 as against $2.21.

Cons. Income and Surplus Account 52 Weeks Ended

	Dec. 28 1940 $	Dec. 30 1939 $
Operating profit	379,128	402,629
Less: Depreciation	39,581	36,683
Inc. & profits taxes	137,000	66,109
Net profit	202,547	299,837
Less: Dividends	135,700	135,700
Surplus for year	66,847	164,137
Add: Prev. surplus	1,049,170	885,034
Prior adjusts.	13,016	......
Surplus forward	1,129,033	1,049,171

Working Capital

Current assets	1,784,855	1,672,612
Current liabilities	337,418	229,709
Working capital	1,447,437	1,442,904

Balance Sheet Changes

Cash	213,352	532,484
Accts. rec. (net)	830,701	521,894
Securities	97,013	2,950
Fixed assets (net)	696,549	667,486
Accts. pay., etc.	303,493	195,783

Can. Inter. Investment

Canadian International Investment Corp. Ltd. reports gross income of $164,442 for the year ended Feb. 28, 1941, compared with $158,724 in the preceding year. Net income totalled $54,029, against $49,818. This was equal to earnings on preferred stock of $3.56 a share in 1941 and $3.11 a share in 1940.

The company acquired $620,000 principal amount of its 5% first collateral trust bonds during the year. Of this amount $220,000 was cancelled and the balance of $400,000 is held for resale or cancellation. There was $1.5 million of funded debt outstanding at Feb. 28. During the year there were 850 shares of 5% preferred stock purchased and cancelled, leaving 15,150 shares outstanding.

Investments of the company were carried on the books at the end of the 1941 fiscal year at $3.2 millions, with a market value of $2.2 millions. Asset value for each preferred share was reduced from $84.40 to $60.61.

Income and Surplus Account Years Ended Feb. 28

	1941 $	1940 $
Gross income	164,442	158,724
Less: Gen. & admin.	22,385	19,971
Bond interest	82,420	85,921
Other interest	5,608	3,014
Net income	54,029	49,818
Less: Dividends	31,490	32,033
Surplus for year	22,539	17,785
Add: Prev. surplus	333,273	316,614
Less: Prior inc. tax	4,261	1,126
Surplus forward	351,551	333,273

Brewers & Distillers

Brewers & Distillers of Vancouver Ltd. reports a decline on both operating income and net profit for 1940 compared with 1939. Net profit for last year is equivalent to 65 cents a share on the common against 91 cents a share for 1939. Payment of 75 cents in dividends, same amount as paid for 1939, left a deficit of $58,235 from 1940 operations.

Shareholders are being asked to approve a dividend of 50 cents and a bonus of 10 cents a share at the annual meeting April 24. Payment would be made May 20 to shareholders of record April 26.

H. S. Tobin, president, reports that distilling operations at both New Westminster and Amherstburg followed the policy of providing a supply of gin and alcohol for the next 12 months. Current assets of $3.5 millions include $722,520 in cash and $359,628 in Dominion bonds. Inventories total $1.9 million, of which $1.5 million is stocks on hand of bulk and bottled beer, whiskies and spirits.

Consol. Income and Surplus Account Years Ended Dec. 31

	1940 $	1939 $
Operating profit	881,321	963,436
Less: Exec. salaries	47,867	50,800
Directors' fees	13,750	13,750
Legal fees	4,349	4,793
Depreciation	133,642	128,949
Conting. reserve	......	10,000
Bonds w/d	......	14,731
Income & E.P. taxes	306,645	214,495
Net profit	375,068	525,918
Less: Dividend	433,303	433,303
Surplus for year	*58,235	92,615
Add: Prev. surplus	2,048,227	2,352,472
Less: Licenses, good-will w/o	50,000	50,000
Invest. res. adjust.	......	346,860
Earned surplus fwd.	1,940,992	2,049,227
*Deficit.		
Earned per share:	$0.65	$0.91
Paid	0.75	0.75
Shares o/s, $5 par	577,738	577,738

Working Capital

	$	$
Current assets	3,497,000	3,314,701
Current liabilities	465,397	374,645
Working capital	3,031,603	2,940,056

Brandram-Henderson

While sales of Brandram-Henderson Ltd. were substantially greater, income from 1940 operations fell from $646,761 to $639,744. Profit reduction was due to increased cost of raw materials and labor. The considerable volume of government business received was taken at practically no margin over manufactured cost, according to Norman Holland, president and managing director.

After providing for payment of 3% on the income bonds on June 1, amounting to $24,750, net profit for the year totalled $11,595, compared with $59,551 in 1939.

Bank loans increased by $35,000 to $385,000 at the end of 1940. Net working capital position was substantially unchanged.

Mr. Holland notes the paint industry has recently increased selling prices, which will partially offset the increase in manufacturing costs.

Cons. Income and Surplus Account Years Ended Dec. 31

	1940 $	1939 $
Operating income	639,744	646,761
Invest. revenue	660	763
Less: Selling exps.	296,695	296,579
Admin. & gen.	172,183	158,647
Legal fees	491	682
Exec. salaries	36,000	34,783
Directors' fees	1,535	1,350
Interest & disct.	30,543	25,103
Net earnings	102,957	130,380
Less: Depreciation	50,000	50,000
Reorg. exp. amort.	2,000	2,000
Inc. & profit tax	13,831	18,000
Inc. bond int.	24,750	......
Minority interest	781	829
Net profit	11,595	59,551
Add: Prev. surplus	51,027	*10,039
Bond int. res. trans.	......	1,515
Surplus	62,622	51,027
*Loss or deficit.		

Working Capital

Current assets	778,096	813,803
Current liabilities	568,327	604,509
Working capital	209,769	209,294

Assoc. Breweries

Financial statements of Associated Breweries of Canada Ltd. for 1940 show net operating profit of $1.1 million, an increase of $225,117 over 1939. Total revenue increased by $225,593 to $1.2 millions.

After depreciation and substantially increased taxes, net profit totalled $542,060 in 1940, compared with $642,095. Earnings on the preferred stock amounted to $75.93 a share, compared with $80.48 in 1939. The common showed earnings of $2.06, against $2.47 in the preceding year. Disbursements of $1.35 a share were made on the common shares in each year.

Net working capital improved by $199,341 to $1.3 million. Cash increased to $800,830 from $518,006. Inventories at the end of 1940 amounted to $384,272, compared with $316,906 at the end of the preceding year. Holdings of Dominion war bonds moved to $435,581 from $250,112.

A secured loan of $343,507 appears in the balance sheet. It is explained the company took up its right to additional stock during the year in the Seattle Brewing & Malting Co. The loan was secured from the Bank of Montreal, San Francisco, and did not involve any transfer of funds from Canada.

Cons. Income and Surplus Account Years Ended Dec. 31

	1940 $	1939 $
Net oper. profit*	1,107,678	882,561
Rev. from invest.	113,092	107,842
Other revenue	22,147	26,921
	1,242,917	1,017,324
Less: Dir's fees	6,500	6,500
Depreciation	158,326	158,593
Fed. & prov. inc. tax	294,519	210,136
"Excess" profit tax	241,511	......
Net profit	542,060	642,095
Less: Pref. divds.	51,255	54,840
Common divds.	321,300	321,300
Surplus for year	169,505	265,955
Add: Prev. surplus	1,090,740	899,785
Employ. ben. fund	......	25,000
Invest. reserve	......	50,000
Surplus forward	1,260,245	1,090,740

*$51,804 in 1940 and $51,661 paid brewery managers salaries, executive officers and legal fees.

Working Capital

Current assets	1,855,597	1,310,561
Current liabilities	606,597	260,902
Working capital	1,249,000	1,049,659

Northern Electric

Annual financial statement of Northern Electric Co. shows net profit in 1940 of $1.2 millions, compared with $764,512 in 1939, an increase of $391,945. Provision for income and "excess" profits taxes in 1940 totalled $555,000, against $150,000 in 1939.

Capital stock of the company consists of 810,000 no par value common shares, valued in the balance sheet at $13.7 millions. Distribution of the stock has remained practically unchanged for many years, 99.98% being held by Bell Telephone Co. of Canada and Western Electric Co. The small remaining balance is in directors' qualifying shares.

Dividends paid in 1940, at the rate of 60 cents a share, amounted to $486,000. Prior to this year no dividends had been paid by the company since 1932, with the exception of $121,500 paid in 1938.

It is stated in the annual report that the company has followed a conservative policy of dividend disbursement, having regard to the fluctuations of the industry and experiences of the recent depression. During that period surplus account was reduced from $5.7 millions at the end of 1930 to $1.6 millions at Dec. 31, 1936. At Dec. 31, 1940, earned surplus totalled $4.2 millions.

In 1940 the company's services were considerably expanded to meet increased demand for regular products and for the manufacture of essential war materials.

Investment in subsidiary companies shown in the balance sheet at the end of the year at $401,552, which represents the company's interest in Amalgamated Electric Corp., and Dominion Sound Equipments Ltd.

Investment in lands, buildings, machinery and equipment at the end of 1940 totalled $19.4 millions, for which there was a depreciation reserve of $11.2 millions.

Income and Surplus Account Year Ended Dec. 31

	1940 $
Gross earnings	2,761,112
Less: Depreciation	966,828
Directors' fees	10,600
Exec. remun.	99,255
Legal fees	8,900
Operating profit	1,675,529
Add: Invest. inc.	97,402
	1,772,931
Less: Interest	61,474
Inc. & profits tax	555,000
Net profit	1,156,457
Less: Dividends	486,000
Surplus for year	670,457
Add: Prev. surplus	3,859,279
Less: Pension fund	300,000
Surplus forward	4,229,736

Working Capital As at Dec. 31

	1940 $	1939 $
Current assets	13,897,591	11,229,069
Current liabilities	2,806,419	1,532,282
Working capital	11,091,172	9,696,787

George Weston

George Weston Ltd. reports operating profits for 1940 approximately the same as in 1939. Heavier taxes and depreciation, however, result in lower net profits, being equivalent to $1.21 a share on the common compared with $1.51 a share for 1939. Dividends of 80 cents a share were paid in each year.

J. A. Gairdner, chairman, reports that total taxes paid last year amounted to 1.4 million. This compares with $1.1 million for the previous year. He states that "production, sales, and profits for 1941 to date compare favorably with that of a year ago, and from present indications, the year ahead should prove a satisfactory one."

Balance sheet shows bank loans reduced to $95,000 from $133,000 a year ago, while cash now amounts to $109,716 against $94,565. Funded debt has been reduced to $1.7 million from $1.8 million and now includes $232,000 of McCormick's Ltd. guaranteed prior lien 4½% bonds, $1.3 million of the same company's guaranteed 4% mortgage bonds and $202,500 of Weston's Bread and Cakes (Canada) 4½% serial bonds. The latter issue is not guaranteed by the parent company.

Consol. Income and Surplus Account Years Ended Dec. 31

	1940 $	1939 $
Net oper. profit	1,372,251	1,380,709
Add: Other income	1,924	1,466
Total income	1,374,175	1,382,175
Less: Exec. sals., legal, Directors' fees	146,656	138,276
Depreciation	276,266	265,166
Interest	72,895	76,372
Income taxes	298,903	203,262
Net profit	579,455	699,098
Less: Pref. dividends	87,500	87,500
Pfd. div., W. Paterson	2,632	2,674
Common dividends	323,537	323,537
Surplus for year	165,786	285,387
Add: Prev. surplus	1,259,691	977,266
Life insur. adjust.	1,434	2,963
Earned surplus fwd.	1,434,043	1,259,691
Earned per share:		
Common	$1.21	$1.51
Paid	0.80	0.80
Shares o/s:		
Preferred, $100 par	17,500	17,500
Common, n.p.v.	404,421	404,421

Working Capital

	$	$
Current assets	3,020,307	2,902,306
Current liabilities	1,702,552	1,513,051
Working capital	1,317,755	1,389,255

ADVERTISING HEAD

Crane Limited announces appointment of Alfred P. Darcel as advertising manager, succeeding C. V. Cohn. Mr. Darcel during the past 15 years has been assistant publicity manager of Canadian Ingersoll-Rand.

Investment Notes

Dominion Textile — Orders for clothing totalling $856,032 were awarded to this company in the week ended March 21 by the Department of Munitions and Supply.

* * *

Canadian Car & Foundry — This company received orders for aircraft to the amount of $3.3 millions from the Department of Munitions and Supply in the week ended March 21.

* * *

Fleet Aircraft — Aircraft to the amount of $465,753 were ordered from this company in the week ended Mar. 21 by the Department of Munitions and Supply.

* * *

Canadian General Electric — Orders received by this company from the Department of Munitions and Supply in the week ended Mar. 21 totalled $699,232, including $686,500 for ordnance and the balance for electrical equipment. In addition the company received $270,000 toward capital expenditure at its Peterborough plant.

JOINS ADVISORY BOARD

John A. Northway, Toronto, has joined the Toronto advisory boards of the Huron & Erie Corp. and the Canada Trust Co. Mr. Northway is president of John Northway & Son Ltd. and a director of Imperial Bank of Canada, Canadian Canners Ltd., General Accident Insurance Co., Scottish Canadian Assurance Co. and other institutions.

B. C. Budget Preview Hints Broad Changes

From Our Own Correspondent

VANCOUVER. — Revelations of Hon. John Hart, British Columbia's Minister of Finance, regarding the provincial budget which will be brought down at the next session are being eagerly scanned by businessmen, Mr. Hart spoke to the Board of Trade:

The unexpected statement was important inasmuch as it will affect some 100,000 taxpayers and will, in the minister's own words, release $2.5 millions of provincial tax money for investment in Canada's war effort.

Mr. Hart's budget proposals represent a recasting of the financial programme that will permit a greater measure of co-operation with Ottawa.

Would Be Retroactive

Summarized, this is what Mr. Hart proposes to do when the Taxation Act comes up for amendment at the next regular session of the legislature. All changes affecting incomes for the present calendar year and retroactive to Jan. 1, 1941:

1. Abolish the surtax on incomes exceeding $5,000 and make dividends from British Columbia industries tax-free.
2. Raise exemption to $750 for single men, $1,200 for married men, $400 for each dependent.
3. Assume the total cost of unemployment relief within the province.
4. Release $25 millions for investment by repayment of maturing bond issues.
5. Repay treasury bills held by the Dominion.
6. Make special depreciation allowance for firms building new plant or expanding present capacity for war work.

In some quarters the speech was regarded as an attempt to clear the way for a provincial election which is generally expected to be held some time next fall. It was also interpreted as an endeavor to "put the Government right," with Ottawa after the series of undiplomatic acts by Premier T. D. Pattullo, who was in the eastern United States at the time Mr. Hart made his address.

There is no doubt that the more moderate element in the provincial cabinet feels that Premier Pattullo seriously misjudged public opinion when he joined with Hepburn and Aberhart in walking out of the Sirois conference; that he blundered again when he classified Hon. J. L. Ilsley's request for payment on the province's treasury bills as "an inordinate demand" and when Mr. Ilsley asked if that meant repudiation he retorted that he had been "insulted."

Your Income Tax . . . .

From now until April 30, deadline for filing personal income tax returns, The Financial Post will answer questions from subscribers about their income and national defense taxes, as to exemptions to which they may be entitled, methods of payment, etc.

Enquiries are invited.

Travelling Expenses

Are commercial travellers and other employees, whose work takes them away from home frequently, liable for income tax on money paid them as travelling expenses, for the use of their cars, meals, etc.?

Commercial travellers and other employees are not liable for income tax on money paid them as travelling allowance, including use of their cars, meals, etc., provided the amount is paid as expense money and not as salary. But if it is paid as salary or wages, then they must pay income tax on it.

For example, take a man who is paid a salary of $300 a month. He travels and spends, say, $50 a month for gasoline and oil, hotels and meals, while on his employer's work. If he collects the $50 from his employer as travelling expenses he is not liable for income tax on the amount. But if the employer pays him a salary of $350 a month, with the understanding that the employee pay his own expenses out of it, the employee is then liable for income tax on the full amount of the salary, subject, of course, to the ordinary exemptions as a married man and for dependents, etc. In such cases the Income Tax Department does not attempt to segregate what is salary and what is expense money. It considers all as salary.

Five Months in Canada

Last August I took up permanent residence in Canada. In five of the preceding seven months of 1940 I was in another part of the British Empire, where I paid income tax. The other two months I was in China or on the high seas. Am I expected to pay income tax on my total 1940 income in Canada?

As you took up your permanent residence in Canada during 1940 and were a resident of this country on Dec. 31 you are liable here for income tax on your income for the full year. As, however, you paid income tax in another part of the British Empire during part of the year you are entitled to deduct from the amount of income tax payable in Canada, the money paid to the other British country. This is provided for in Section 8 of the Income War Tax Act. It will be necessary, of course to submit evidence of the payment having been made.

Remodelling House

I own a dwelling house. Can I deduct from income for income tax purposes money spent in connection with it in the following ways?

Interest on mortgage and taxes? Renewing part of roof; replacing obsolete wiring with heavy duty wiring complete with fixtures; installing hardwood floors over old softwood; installing new plumbing and heating, shower bath and new furnace pipes; repairing cement floors in basement; rebricking chimneys and changing outside verandah into an outside vestibule. I rent this house to another and regard it as an investment.

You are allowed to deduct interest charges and taxes.

Normally a house-owner is allowed to deduct money spent in making ordinary repairs. But the expenditures you mention suggest that the work was done more in the nature of remodelling and rebuilding a house than repairing it. Expenditures of this kind in the case of a house which is owned as an investment and rented to another are not usually allowed as deductions from income. The total amount spent, however, can be added to the capital cost of the building and depreciation then based on the higher cost. Depreciation is allowed at the rate of 2½% yearly on a brick building and 5½% on a frame structure.

FEATURES
in the April issue
THE CANADIAN CHARTERED ACCOUNTANT
Taxes and related matters
Budgeting and control of manufacturing expenses
Accountants and the law of negligence
Responsibilities of new members
What examinations cannot test
Dominion income tax rulings
Exchequer Court tax decision
Published monthly. $3.00 per annum. Subscription open to all. A. H. Carr, Editor, 10 Adelaide Street East, Toronto.

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Bond Markets

Canadian Bonds Rise On U.S. Parity Talk

Sharp Rise Follows Improved Sentiment — Gains Leave Security Values Below Official Discount Rate

Greatest activity in the market for Canadian bonds in the past week has been in New York. On the strength of rumors that the Canadian dollar would be brought back to par, high grade Canadian bonds advanced from one to more than two points. Similar strength developed in corporation bonds and in equities, while the free exchange rate on the Canadian dollar advanced to around 87 cents U.S., some four cents short of the official rate.

Suddenness of the advance served to obscure the fact that its foundation had been built over a period of months. Repeated recommendation of Canadian securities by leading U.S. investment houses and financial journals have been quoted in The Financial Post. Majority were based on the expectation that Canada would continue to service her external obligations, that eventually the Canadian dollar would return to par.

* * *

Status Preserved

It was not generally believed in New York that the Canadian dollar would return to par before the end of the war. Nor have the rises in security prices or in free Canadian dollars yet extended to the point justified by the official exchange rate. Free dollars are at a 13% discount, Dominion and Dominion guaranteed bonds are still discounted at around 14% and discounts of about 20 to 30% are still common on interlisted stocks.

The most that seems to be shown by the extent of the current rise is that U. S. financial circles have overcome some of their fears of a further drop in the price of the Canadian dollar. If Wall Street were certain that no deterioration of the status quo is probable, the offerings of Canadian funds and securities at much below the official discount rate would probably be sharply reduced. Assurance that no further drop is in prospect would also tend to strengthen confidence in an ultimate return of the two currencies to parity.

* * *

Industry Injured

Although the rumors of an early return to parity are becoming more frequent and appear to come from "official sources," and although such a move would be approved by U. S. exporters to Canada, the effect on some Canadian industries might be dangerous at the present time.

For example, $120,540 of Abitibi's February earnings totalling $517,915 came from the premium on U. S. exchange. This is nearly 25% of the month's operating profits, before bond interest and depreciation. It would appear that removal of the exchange premium would render this company, and presumably others in the industry, vulnerable to any rise in labor or other operating costs.

Canadian exporters generally would lose a competitive advantage in U. S. markets, which they could only regain by cost reductions—a virtual impossibility in wartime. It seems probable that if the Canadian dollar reaches par at the present time, Canadian industry will be at a disadvantage until costs in the U. S. rise to the point where the Canadian firms can again compete.

* * *

Good Government

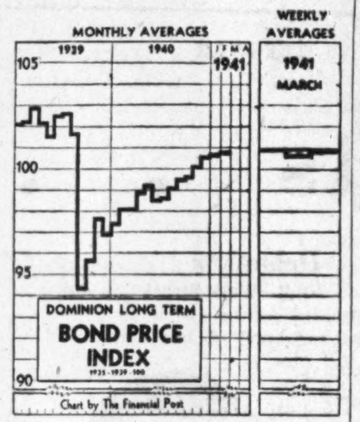
A nation-wide programme for provincial and municipal governments is recommended by the Citizens' Research Institute of Canada for the duration of war.

According to the Institute the provinces and municipalities should:

1. Leave the bond market to the national government, except in cases where capital expenditures requiring debenture issues are unavoidable.

2. Reserve actual execution of financing of desirable improvements until after the war, such improvements having been so thoroughly planned in advance that their construction may begin at once.

3. Limit current expenditures to essentials, in order to make as much as possible of the total tax-paying ability of the citizens available to the Federal authority.



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Bond Index

D.B.S. index of long-term Dominion of Canada bond prices moved narrowly during the week ended March 27, 1941, the average remaining unchanged from the previous week at 101. Compared with a year ago, the index averaged 2.8 points higher in the latest week.

DOMINION OF CANADA

Long-term Bond Index

	Weekly average Mar. 21-27	Preceding week Mar. 14-20	Weekly average year ago
Price	101	101	98.2
Yield	95.8	95.8	101.7

Plan To Export Seaway Power

(Continued from page 1)

United States interests will develop their half of the 2.2 million horsepower along the International Section immediately. Little chance is seen of any surplus power on the American side of the line in the St. Lawrence region for some time to come. Moreover, U.S. power available from the scheme, in sharp contrast to the Canadian situation, does not bulk large compared with total U.S. production.

Drop in Bucket

Present U. S. power capacity, augmented the other day by the gigantic Grand Coulee Dam, is estimated at 44 million kilowatts or almost 60 million h.p. From the development of the International Section of the St. Lawrence the American share of power will be only a little over one million h.p.—a relatively small addition to the national supply. The United States could take its own and Canada's share too and hardly notice it.

Development of power on the Canadian side of the St. Lawrence will be likely gradual, The Post is informed. Plans of the Ontario Hydro, which will get the 1.1 million h.p. on the Canadian side of the International section, are understood to call ultimately for 16 or 18 generators. These can be set up and brought into production gradually, similar to the method adopted at the big Chippawa plant on the Niagara River. This was brought to the generator stage in 1921, but the tenth and final power unit was not installed until 1929. The St. Lawrence job, it is believed, could be handled much more quickly, if there was the demand.

Future Power Needs

At this time no one is prepared to even guess at Canadian power demands by the time the giant 82-foot Barnhart Island power project is ready for the water turbines.

All Ontario resources will be utilized next winter, including another block of approximately 75,000 h.p. scheduled for delivery early in 1942. If the presnt pace were continued through to 1945, there would be a ready market for the whole load of the Canadian share of the Seaway project.

Falling Off After War

If the new war industries, particularly aluminum and chemicals, the No. 1 consumers of electric energy continue large scale operations after the war, it is predicted Canadian development of actual power along the seaway will be immediate. If not, then it will probably be gradual and with a heavy export to the United States until the home market catches up.

Dominion Stores Sales Up 5.2% First Quarter

Gross sales of Dominion Stores Ltd. for the first 12 weeks of the current year were 5.2% above the corresponding period a year ago, J. W. Horsey, president, told shareholders at the annual meeting. The company is operating 43 fewer stores now than a year ago. Average sales per store were up 21.2%.

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EXECUTIVE SEEKS NEW OPPORTUNITY

OVER twenty years with one of the important manufacturers in Canada. Techical and production experience and extensive knowledge of modern accounting practice, organization and control, sales management with broad understanding of market conditions and buying habits in every section of Canada, now occupying an executive position. Box 66, The Financial Post, Toronto, Ont.

NEW PRESIDENT

A. J. Trusler of the Confederation Life Association was elected president of the Building Owners' and Managers' Association of Ontario at their annual meeting in Toronto. He succeeds George S. Vale. Other officers elected were W. R. Johnston and H. E. Roberts, vice-presidents; Hector Cameron, treasurer; and William C. Lang, secretary.

Outlay Swells In Provinces

Increase in Peace Years Greater Than For Other Governments

Expenditures of provincial governments on current account increased more than two and three quarter times from 1922 to 1939, according to the Citizens' Research Institute.

Expenditures of provincial governments met entirely from local revenues and including all relief charges, whether funded or not, were as follows:

Year	Expenditures	Per Capita
1939	$252,553,573	$22.35
1938	242,995,774	21.71
1937	224,361,600	20.20
1933	182,242,717	17.07
1929	150,666,061	15.04
1928	136,814,610	13.93
1922	90,186,438	10.12

Provincial Costs Soar

Since only four months of 1939 were included in the war period the Institute does not deem this to have had any material effect upon provincial expenditures.

In underlining the higher rate of growth of provincial outlay in comparison with the Dominion and municipal governments, it is pointed out that provincial expenditures in 1922 represented 12.5% of total governmental expenditures in the Dominion. By 1938, the latest year for which figures are available, this had grown to nearly 22% of the total.

Net debenture debt of the provinces increased from 1929 to 1939 by $710 millions, or 84%.

Municipal Finances

Rainy River, Ont.—April 16, 1941, has been fixed as the date for exchange of outstanding debentures of the Town of Rainy River into new debentures, according to the plan of reorganization confirmed Feb. 17, 1941. Old securities will be exchanged at the securities department of the Canadian Bank of Commerce, 25 King St. W., Toronto.

* * *

Whitchurch, Ont.—Declining relief rolls have brought an administration problem to Whitchurch Township, York County, Ont. In February the township's relief bill was $55, with only five cases on relief. Salaries of the two officers administering relief were each $75 for the month. Revised methods of paying the relief officers are under consideration.

* * *

Esquimalt, B.C.—Tax reduction of two mills has been adopted for Esquimalt for 1941. The new rate of 37 mills compares with 39 mills in 1940 and is a 13½% reduction from the 1938 high of 42 mills.

* * *

Melville, Sask.—Deficit of the town of Melville in 1940 was pared to one tenth that of 1939. Excess of expenditures over collected revenues amounted to $625 as compared with $6.487 in 1939. Current tax collections were 56% of the levy, the best showing since 1930, while current and arrears taxes collected in 1940 amounted to 88% of the levy, best ratio since 1929. The town has steadily acquired property and is now reported to own approximately 89% of the 12,300 lots within its limits.

* * *

Chatham, Ont.—City of Chatham's 34-mill tax rate for 1941 is a reduction of one mill from that of 1940. Total expenditures for the year are estimated at $495,100. Relief costs are budgeted at $5,500 compared with $10,000 in the 1940 budget.

Edmonton, Alta.—Cost of unemployment relief in Edmonton in 1940 is reported at $614,230, a reduction of 30.9% from the 1939 figure of $889,019. At the end of the year, 3,249 persons were on relief, compared with 6,811 at the end of 1939. City share of relief costs was down 44%. Greatest number of persons on relief in Edmonton was 12,991 in April, 1933.

Distillers-Seagram Issues Optioned Stock

From Our Own Correspondent

MONTREAL. — Distillers Corp.-Seagrams Ltd. report payment has been received for 100 common shares under option agreement with Frank R. Schwendel, and which was assigned to Mrs. Jeanne S. Schwendel. Balance of agreement comprises an option on 9,900 common shares exercisable by July 31, 1941. Issued capital now totals 159,800 preferred shares and 1,752,745 common shares.

Bond Tenders

5 p.m., Apr. 7, Granby, P.Q.—$125,000, dated Apr. 1, 1941, redeemable serially from Apr. 1, 1942 to 1961. Separate bids asked for 3½% bonds and 4%. A. Montfils, sec.-treas.

Advances Method of Timing Stock Purchases And Sales

In accord with long-established policy, The Financial Post does not sponsor any investments nor any particular investment "method." But The Post herewith presents a third article by E. G. Bulmer, Toronto investment dealer, as newsworthy for investors, the same as discussions of the Dow theory or other investing theories which have gained some general recognition are newsworthy. Other articles by Mr. Bulmer will follow in successive issues.

By E. G. BULMER

Timing in business and investment is of supreme importance.

The businessman wants to know when he should expand his business; when he should be on the watch for troubles ahead. He wants to know the probable direction of activity over coming months as he plans in advance.

The investor has to know at any time the general direction of the trend of stock and bond prices. He requires warning of changes in trend if he is going to time his purchases and sales to advantage.

These features of timing in both business and investment have been determined by the methods outlined in previous aritcles.

But there is more than that to timing of investment programmes. It must be applied to individual securities as well as to the market as a whole.

Nonconformist Stocks

It is quite possible that circumstances peculiar to the individual stocks may cause them to run against the general trend. Perhaps certain fundamental industrial changes make securities of companies in a particular industry undesirable investments over long periods, including times when the general trend is strongly upward.

Most stocks have fundamental market characteristics that make them behave on a pattern of their own. They may be volatile and move faster and farther than the general market; or the reverse may be true and the security be a "slow mover."

These are just a few of the problems that must be answered in solving the vital question of what stocks to buy or sell and when.

Trend in Stocks

As a guide in determining the direction of the trend for individuals we have worked out a method to be used in conjunction with the "composite bank line" previously outlined. The latter gives warning of changes in the direction of the general trend, but it should be used along with a further method of determining the direction of trend for individual securities.

By experiment and study, we have worked out a way of making use of a moving average of Friday closing prices of individual securities to determine the trend of this particular stock at any time. When the actual price crosses this trend line moving upward, it indicates that the stock can be bought to advantage; when it crosses the trend line moving downward, it should be sold. The accompanying charts illustrate how this works.

Buy or Sell Signals

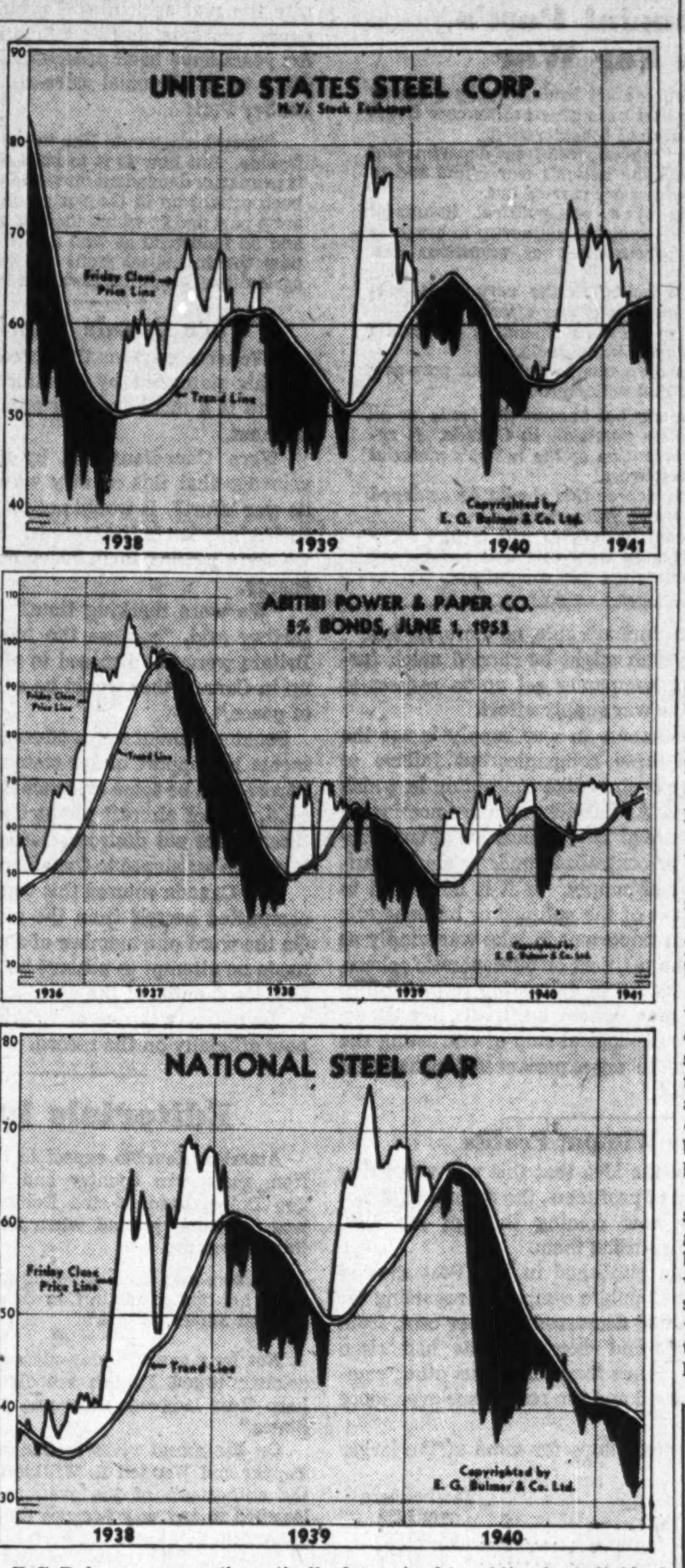
In every instance the tops and bottoms of the markets are missed by a considerable margin. This is improved by the general indication given by the Composite Bank Line, which acts faster than the moving average trend lines.

We correlate the action of the two in the following manner: Should the Bank Line indicate a selling period, we would liquidate 50% of our holdings and the balance as the individual securities break below their trend line; if a buying signal is given by the Bank Line, we reverse this procedure and purchase 50% of the total amount of shares we are going to buy and the balance as the individual securities break through their trend line to the top side.

This method of handling investment accounts does not entirely eliminate losses but it does limit them to relatively small amounts and over a period of time has proved its ability to maintain and increase capital.

The Theory Explained

Theory behind this phase of our method is simple. We believe that the consensus with regard to any security is reflected in the price of that security wherever it is traded. If there is a preponderance of bids over offerings in the market, the price will rise, and when the offerings are more numerous, the price will decline. When the price line moves upward, the trend line is bound to follow it because it is composed of an average of actual prices. Because it is an average, it will move at a slower rate than the price line. The reverse is also true—when offerings are more numerous than bids the price will decline and the trend in due course will follow:



E. G. Bulmer uses a mathematically determined trend line for individual securities to supplement the forecast derived from his "composite bank line," explained in a previous article. Shown above are three of these individual charts. In each of them the solid line represents the Friday closing price for the securities themselves. The double line represents the trend as determined by methods explained in the accompanying article. The shaded portions represent periods when this method indicated that the securities in question were in a period of declining prices and were not desirable holdings. An investor operating by this method would not have held these securities in the periods represented by the shaded areas.

The operation of the theory is to buy those securities you are interested in when the market price line crosses the trend line from the bottom to the top side and to maintain your position in this security until the market line crosses the trend line from the top to the bottom side. Your securities should then be sold and not repurchased until a reversal is indicated. The black areas are the periods when, according to this plan, you should be out of the market.

Our theory does not take into consideration whether the buying or selling is sound or warranted by facts. It simply points out the effect of the buying or selling as the case may be and catches the appearance of such before the market reflects it to any great extent.

Gives Time To Act

While this theory is purely mathematical, it has been accurate, as you may see from the charts. It does not pretend to project the future movements of the market, but does call attention to the main trends soon enough to allow the investor to act.

Moreover, this basis of operating does not depend on hindsight. When the signal was given, to sell National Steel Car at $60 in Jan., 1939, it simply meant that investors were selling, and anyone using the chart would have sold at that time with the reservation that when the price line crossed through the trend line to the upper side, he would repurchase the stock. From week to week the chart unfolded and it was not until Sept., 1939, that the signal to reverse the procedure was given at $51 per share. The point to note particularly is that the buy and sell signals are given before any prolonged rise or fall occurs.

Its limitations are that, except by coincidence, it can never pick the top or bottom of the market. Unless you are inclined to take a short position it is necessary to hold cash, or high-grade short-term bonds to replace your stocks, during the periods of declining prices. Occasional losses of brokerage and a point or so may occur when temporary breaks in the trend lines occur. These indicate periods of indecision in the market and are unavoidable.

Its greatest advantage is the decisive way in which it aids in getting an investor out of the market and in picking points where securities should be purchased.

Use Active Securities

The maximum value of this method, combined with safety, can only be obtained by taking a position in active stocks and bonds which have a consistently wide market range over a period of years.

Let us examine the results obtained, illustrated in the accompanying charts by following the procedure outlined above, allowing a point penetration of the trend line before either buying or selling. If we assume, in the case of stocks, the amount traded is a unit of 100 shares, and $10,000 par amount of bonds in the case of Abitibi, the results would have been as follows:

Over the period covered by this chart, seven sales and seven purchases were made in Abitibi Power & Paper 5% bonds and at the present time an investor would hold bonds at a cost of 67. In addition he would have accumulated approximately $5,475 in cash, equivalent to $129.50 per bond per year, as against an investor who has held these bonds through the period with no income.

If the total amount of money received at the time of the first sale had been utilized to buy whatever additional round amount of bonds it would cover at the time the buying signal was given, and this procedure followed throughout, the investor would now be holding $22,500 par amount of these bonds at a cost of 67 and in addition would have a small cash balance.

There were two purchases and two sales in National Steel Car stock and at the moment an investor would be waiting to purchase this security with a profit of some $3,500. On the other hand, had he reinvested his proceeds in whatever round amount of stock his money would buy, he would have $7,380 with which to purchase these shares when a buying signal is given. At the present price of this security, it would mean the investor could buy over 200 shares.

Applying the same method to Lake Shore Mines stock (not illustrated) there were two sales and one purchase over the past two years and the investor would now be waiting to repurchase this security with the savings of $2,575 to date, or would be in a position to invest $4,285 in this security when it breaks above its trend line. Thus he will be able to purchase at least 200 shares of this stock with the money at his disposal.

There were four purchases and four sales on the chart of U. S. Steel stock from 1938 to date, with a profit of $2,325, and the investor is waiting for the next buying signal. If the proceeds had been reinvested each time, the investor would be waiting with $7,706.25 to put back into this security when the buying signal is given.

In the case of Imperial Oil Ltd. (not illustrated), this security has been in a down trend for over two years and there has been no opportunity to make money in holding it as an investment. However, if the stock had been sold on the basis of the chart, the investor would still be holding the proceeds from the last sale at $14.75 in January, 1940, waiting to repurchase this stock, which at the present time is selling around the $10 level. So that, while there has been no opportunity to increase capital, at least on the basis of the chart the investor has been able to save his capital.

Sound Policy Vital

The greatest obstacle to success for the investor is poor timing. This applies more to when securities should be sold than when they should be bought, and is partly explainable by the reluctance of most people to accept a reasonable profit when it is available.

It is human to want to convert a 10 point profit into a 20 point gain, and after the second objective is obtained to shoot for a third, and so on until the scales are surdenly tipped the other way. Then, before one's mind has been made up to sell, quite often all the paper profit has been wiped out and a loss incurred.

Many investors, on the other hand, buy "good" securities and hold them through thick and thin, collecting the dividends as they are paid. This is a splendid theory to use as long as the dividends continue and securities remain "good."

Such a policy precludes the possibility of acquiring additional securites, except with new money. Many investors would like to have been in a position to buy International Nickel at $5 per share when it sold at that figure but could not do so for the simple reason that they had no available capital. If they had known Nickel was a good sale at $50 and acted accordingly, they would then have been in a position to pick up a bargain when it was offered at $5.

The foregoing is not written to suggest to anyone that he should gamble in securities. Far from it, but if he could know at all times when the public is either buying or selling on balance, securities in which he is interested, he would then be in a position to regulate his investment programme in such a way that he could sell all or part of his securities at a time when investors for various reasons were selling. When the picture changed he could with a portion of his original capital buy back the same securities; or with the total proceeds realized from the sales he could repurchase more of the same security, thereby getting higher dividend returns and also lowering his initial cost.

Bond Sales

Drummondville, Quebec

Sale of $118,400 in 4% debentures is reported by the City of Drummondville to the Banque Canadienne Nationale and Harrison & Co., Toronto. Issue was sold at 98.75, a cost basis of approximately 4.12%. Securities consist of $99,000 in 4% installment debentures, maturing April 1, 1942 to 1961; $19,400 in 4% installment debentures maturing March 1, 1942-60. Funds are for permanent improvements. Tenders submitted were as follows:

Harrison & Co. .... Banque Canadienne Nationale	98.75
Bell, Gouinlock & Co.	98.61
Fairclough & Co.	98.595
L. G. Beaubien & Co. .... Bank of Montreal	97.18

* * *

Lachine R. C. Schools

Banque Canadianne Nationale has purchased the $19,000 refunding issue of Lechine (Que.) Roman Catholic Schools. Issue is dated April 1, 1941, and matures serially April 1, 1942, to 1964, bearing interest at 4½%. Purchase price is reported at 98.

Bond Redemptions

Bond Issues:	Rate	Year	Due	Price
Randolph Hotel.	6½%	1947	May 1	105
Ames Holden Tire	*7%	1943	May 1	105
Viceroy Mfg.	4½%	1952	July 1	103
Cons. Press.	6½%	1949	June 1	103
Shawinigan W..	†3½%	1946	May 15	101

*Drawn by lot $22,300. †$3,000,000.

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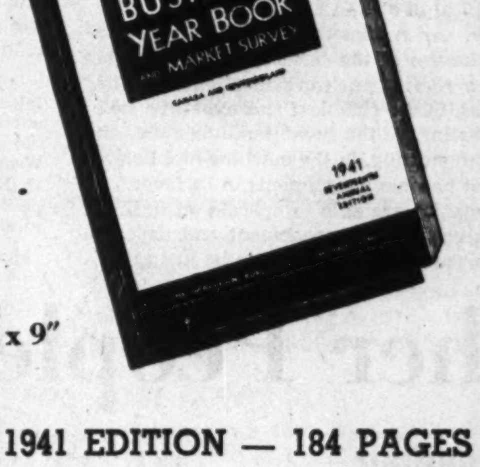

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The Editorial Page . .

This Money is Needed For War

Regardless of the enormous financial drain of war, provincial governments are budgeting for increased ordinary outlay.

Of six provinces for which budget estimates are available for the present or forthcoming fiscal year, four show increased ordinary expenditure over the preceding year. Two only have cut expenditure.

Combined ordinary expenditure of the six provinces compares as follows:

	Millions
1941-42	$256.9
Previous year	254.1
Increase	2.8

Revenue is estimated as follows:

	Millions
1941-42	$282.2
Previous year	260.2
Increase	22.0

This disproportionate increase in revenue and expenditure reveals what the provinces are not doing to aid the war effort.

Provincial governments have been benefitting from war-created revenues, giving them record surpluses and "sunshine" budgets. Little of the betterment in budgetary position is the result of economy.

Because of national war policies, money is flowing into all channels, payrolls, merchandise sales, and government revenues.

By taxation and borrowing, the Dominion Government is seeking to channel the nation's increased income into the war chest. Luxury consumption is being discouraged, savings encouraged.

To make our war economy effective, rigid control has been placed on corporation and personal incomes. "Fortuitous" gains and a lot of the normal income are channelled back into the war effort by "excess" profits taxes and other increased levies.

Success of the Dominion in this diversion process is evident in corporate financial statements, where, despite enormously increased sales, profits available to shareholders have been substantially cut.

The only bodies immune from this tapping process to date have been provincial and municipal governments. The provinces are utilizing "windfall" revenue for normal governmental functions, thereby short-circuiting the financial programme for war.

Instead of providing relief to taxpayers, that they may better assume onerous war taxes, provincial levies are being maintained at peacetime levels, except in the case of British Columbia, which this week took the forward step of cutting some taxes.

Only Quebec Province has budgeted for any appreciable reduction in ordinary expenditures.

If the war effort is not to be impaired and the Dominion Government's fiscal policies thrown out of equilibrium, it is the duty of every provincial government to return every penny of this war-created revenue to the Government that is fighting the war. This can best be done by reducing provincial taxes and cutting provincial expenditures.

The Financial Post's Platform For War

1. *Strengthening cabinet leadership by drawing on Canada's best executive brainpower irrespective of political considerations.*
2. *An inner war cabinet, free from departmental duties, to plan the nation's war effort and to see that the plans are carried out.*
3. *Appointment of a non-political industrial executive with complete authority to organize and direct procurement of munitions and supply.*
4. *Pay-as-we-go policy to the very limit consistent with an all-out war effort.*
5. *Elimination of wasteful spending by public bodies or private individuals.*
6. *A national programme to deal with post-war employment and relief problems.*

Winning the war has become the focus for all effort, national or personal, in Canada. It requires full mobilization of the nation's material and spiritual resources.

To the fullest degree this should be achieved by individual effort, freely made.

Strong national leadership will inspire service and sacrifice. In turn this will reduce the need for regimentation and compulsion.

Business Men For Business Jobs

In a recent address in Toronto, Professor R. M. Dawson of the University of Toronto was quite outspoken criticizing Ottawa for having set up subsidiary "crown" companies to handle different phases of the war work. He felt that a government department could handle such matters as purchasing a stock of the raw materials or a supply of machine tools at least as well as a separate company. Supervision would be more exact and the possibility for co-operation would be more direct. Professor Dawson underestimates the value of business experience in meeting business problems.

There are, of course, not enough facts on record about the operation of these companies as a whole to enable anyone to render final judgment upon them. The one that has been most criticized and most publicized is Federal Aircraft, but the particular troubles that it ran into might not necessarily be typical of all the nine companies.

Certainly, any system that enables the government to make use of the services of the directors who are now serving such organizations as Allied War Supplies, in the chemical and explosive field; Wartime Housing, in the home building field, and Citadel Merchandising, in the machine tool field, is a system that has many arguments in its favor.

The companies are able to operate on business lines and, given good management and freedom from interference, they are likely to be just as efficient as their directors are able, no more, no less.

Indeed the system might be carried much further, with crown companies set up in respect to other phases of the war supply effort.

The major weakness in war supply is not the establishment of these companies but failure to carry through the businesslike conception in which they were set up. As business men are nominated to do specific phases of the business job of war supply they should be centralized under a single business co-ordinator of supply. If it is important to take key works out of the political or bureaucratic sphere it is just as important to take war supply as a whole out of the political or bureaucratic sphere.

Having gone so far in delegating responsibility to experienced men whom he trusts, Mr. Howe should take the next logical step of entrusting the co-ordination job to an experienced businessman whom he can trust.

War Without Profits

If anyone had the idea that this war was going to produce a crop of profiteers, the reports of Canadian companies now coming through for 1940 should quickly disillusion them.

A recent table published in The Post showed that for the first 42 public companies reporting for 1940, net profits had decreased 3.99 per cent. from 1939 while income and excess profits had risen 116.95 per cent. Since then numerous other companies have reported and the results are even more striking.

Here are the tax jumps for some of the larger ones:

Company	Tax increase over 1939
Bell Telephone	$2,300,000
Montreal Power	2,100,000
Canadian General Electric	2,600,000
Canadian Industries Ltd.	2,100,000
International Nickel	9,800,000

For these five companies alone the tax increase over 1939 is nearly $20 millions.

What is left over of war-stimulated profits after income and special excess profits taxes have been paid, and after wear and tear on machinery and personnel, will leave nothing for owners or operators. Labor is given employment and the nation its war equipment. Industry expects but little reward and is getting little.

Charges of war profiteering, ill-founded and otherwise, cost many Canadian companies dearly in the years immediately following the conflict of 25 years ago. There can be no grounds for such comment in the present life and death struggle.

Our Wheat "Cure"

Most Canadian newspapers are taking a sober view of the new Government wheat policy with its excursion into the dubious field of subsidies for idle acres. They regard the policy in the nature of an effort to find an untried but perhaps unavoidable cure for a malignant disease. Typical is the comment of the London Free Press:

> "The principle of a guaranteed price and of paying farmers for growing nothing is unsound. It has not worked out in the United States. However, under the circumstances, there seems no alternative. The West cannot be allowed economically to collapse . . . It should be made clear, though, that this is a war policy and it cannot be regarded as a permanent solution."

Most newspapers, too, have been quick to recognize the real agricultural problem, war restricted export markets, despite a fanatical minority which for years have been preaching an artificially fixed price as a universal cure-all. Says the Regina Leader Post:

> "Everybody would like to see a prosperous countryside. But how is it to be done when agriculture is primarily dependent on world markets which have been caught up in the vortex of a war of which we are a part and in which there is an agricultural front and an industrial as well as a fighting front. Up to now the industrial front has benefitted while the agricultural front has been the hardest hit."

When Canada "Marked Time"

"We were marking time before Dunkirk."

This statement by Senator Dandurand in the Senate is a most amazing admission by the Government.

Were Canadians told by their government a year ago that this country was "marking time" in its war effort? It would not be possible to find any such admission in the records. Rather we were told we were putting forth every ounce of the nation's energy.

"We were marking time," Senator Dandurand further said, "because the industrialists of Great Britain were not disposed to allow plants to be set up in Canada that would be rivals to them in time of peace."

Senator Dandurand produced no papers or documents in support of his statement. There seems, however, to be some evidence that in one important field, that of aircraft production, British manufacturers were not desirous, before Dunkirk, of lending much assistance to Canadian manufacturers.

But Canada entered this war independently and committed herself from the start to a total effort. On the word of a member of a cabinet, this country made no attempt to achieve an all-out effort in the first ten months of the war.

Its policy was one of "marking time." That is now officially on the record.

Editorials in Brief

American tourists expect to find Canada different from their own country and therefore interesting. Leo Dolan, head of the Dominion Travel Bureau, was on sound ground when he said the other day that he was . . .

> "sick, sore and tired of seeing the Stars and Stripes over hot-dog stands in Canada as a cheap appeal to United States visitors."

* * *

Not long ago a highly-placed official lady in this country urged English schoolgirl evacuees here to keep their language clear and "not copy the United States."

On the recent visits to Canada of Senator Claude Pepper and Wendell L. Willkie it was not noted that the enthusiasm of the ovations given to them was lessened in any way because they spoke English with an American accent.

* * *

Axel Wenner-Gren, Swedish industrialist, who recently made a handsome gift to University of Toronto for geophysical research, has come out with an interview that seems to represent a considerable advance in his thinking. He says:

> "I shall always prefer peace to war so long as there is a reasonable basis for hoping for peace, but never at a sacrifice of the principles of freedom and progressive democracy."

* * *

"Steel Labor" is the official organ of the Steel Workers Organizing Committee, the C.I.O. union that is now trying to organize Canada's war plants.

The latest issue publishes a most revealing cartoon. It shows a tank, labelled "SWOC," shelling and destroying Hamilton's non-union industrial plants.

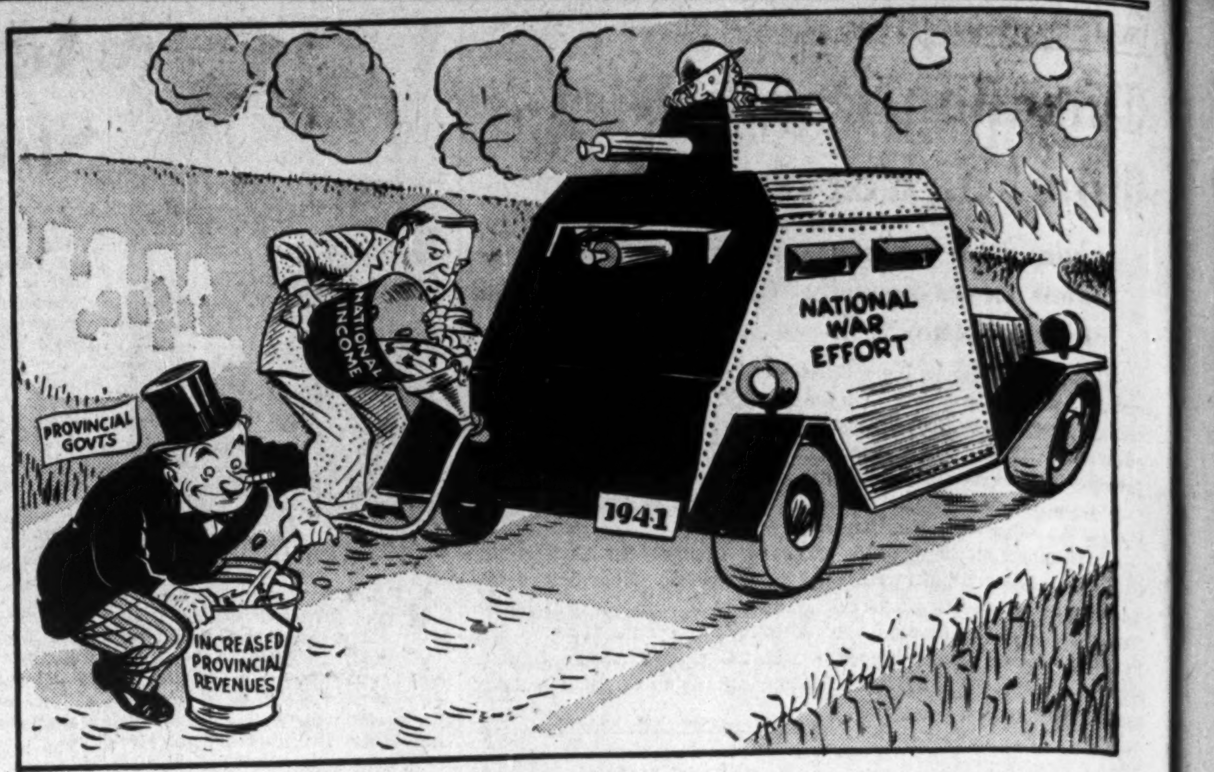
The methods adopted by some C.I.O. organizers, both in Canada and the United States, to exploit the two nations' defense emergency, in order to build up their personal power, suggest that perhaps the cartoon is more apt than the editors of "Steel Labor" realized.

* * *

Some weeks ago The Financial Post reported that W. N. Tilley, K.C., had been retained by the Government to investigate certain charges made in connection with the construction work at the new Dartmouth airport in Nova Scotia.

Some of the allegations that had been made were rather ugly. The Minister of National Defense for Air, Mr. Power, deserves commendation for having appointed a man of Mr. Tilley's outstanding ability to look into the charges. The terms of his reference have not been made public but citizens will hope that he was given full scope to explore the matter.

Mr. Tilley's report should be made public. The charges themselves have been given wide currency and the public is entitled to the facts, and to an assurance that inefficiency or worse will not go unpunished.



THE LEAK

—Cartoon by Grassick

Post-Scripts . . . .

F. E. C. B.'s Rasminsky

His fellow students in the Political Science and Economics course at the University of Toronto were not surprised when Louis Rasminsky was appointed assistant chairman of Canada's Foreign Exchange Control Board last week. Lou Rasminsky is still conceded one of the most brilliant students ever turned out of the University and headed his final year and most of the others before as well. Like another famous Canadian, Beverley Baxter, he received his earlier training at Harbord Collegiate in Toronto. He was born in Montreal.

MR. RASMINSKY

* * *

The university course was only a beginning for this budding economist. After graduation in 1928 he spent two years at the London School of Economics, then joined the Economic Secretariat of the League of Nations. His most important single contribution to the League was an exhaustive report on nutrition in southern Europe. He was also largely responsible for the annual publications of the League on banking and exchange. His work took him all over Europe and in more recent years to Mexico and South America. While he was on the latter continent war broke out and his colleagues at Geneva advised him to return to Canada rather than Europe and await developments.

While so awaiting he helped the new Foreign Exchange Control Board here unravel some perplexing kinks and finally accepted a permanent position as head of statistics and research.

Tall, brown-haired Rasminsky, his friends declare, has been only mildly interested in modern sports and recreations, preferring to devote practically all his time to his work. At the University he was a close observer of the Jewish national movement and probably is still interested. He married into the Rotenberg family of Toronto and has one son, Michael.

* * *

Mr. Rasminsky's promotion was made possible by the resignation of J. E. Coyne, former assistant chairman of the F. E. C. B., who recently went to Washington as Financial Attachè of the Canadian Legation. Prior to joining the Exchange Board Mr. Coyne was deputy-secretary of the Central Mortgage Bank, formed early in 1939 as part of a national mortgage scheme, but later shelved for the duration of the war.

Debunker

Lawrence Hunt, Wall Street lawyer, who is speaking to the Canadian Club of Montreal on April 16, has written a book on the history of Anglo-American relations.

MR. HUNT

Probably a little address he gave to a New York audience the other day was a foretaste of what the book will contain when published. Mr. Hunt took four incidents in British-American history; showed what American history textbooks taught about the matters and then outlined the inner facts as revealed by a study of history. The incidents he covered were the war of 1812; the Monroe doctrine; the Civil war, and the Spanish American war. His American audience relished the interpretation he gave of these historic events, despite the fact that he "debunked" some of their own notions.

Last spring Mr. Hunt spoke to the Canadian Club of Toronto and in the fall was one of the speakers on the "Let's Face the Facts" series of Canadian broadcasts.

* * *

Nazi Oil

Max W. Ball, president of Abasand Oils, Edmonton, was given an impossible task the other day.

He was asked to speak to the Empire Club of Toronto, which was a not too difficult assignment. The Club wired him for the title of his address. He replied with a choice of titles: "Anglo-American Responsibilities" or "Germany's Oil Supply." The telegraph company put an extra letter in the wire with the result that Mr. Ball was billed to speak on "Anglo-American Responsibities for Germany's Oil Supply."

He was able to show that Britain and the United States have undertaken only one responsibility in that connection; to denude Germany of oil as quickly as possible.

His estimate, by the way, was that Germany is going behind in oil at the rate of between 4.5 and 5 million bbls. a month; that she started with reserve oil stocks of 21 million barrels. He left it to his audience to figure out when she would have to start curtailing operations.

* * *

High Commissioner

The Rt. Hon. Malcolm MacDonald, new High Commissioner for Great Britain at Ottawa, used to be a frequent visitor to Canada when Under-Secretary for the Dominions from 1931 to 1935. He acquired then a familiarity with Canadian affairs and problems, such as no other British political leader of the front rank (except Lord Beaverbrook) can possess. Also his recent membership in the British Cabinet gives him high prestige and enables him to speak with authority on the basic problems of the war.

MR. MacDONALD

This son of the late Ramsay MacDonald was born in London in 1901. His mother (née Margaret Gladstone), was a niece of Lord Kelvin, the great physicist, and a distant relative of another British Premier, the famous W. E. Gladstone. In her own right she was a woman of exceptional charm and ability.

Young Malcolm went for his education first to Bedales School, a Quaker co-educational institution and then to the Queen's College, Oxford, where he took a creditable degree and won distinction as one of the most effective exponents of the Socialist creed in the debates of the University Union. It was as a member of a debating team sent to North America by Oxford University that he made his first contacts with Canada. Soon after his return from this tour he made his debut in politics as Labor candidate for the Bassetlaw division of Nottinghamshire at the general election of 1923, when he was only 22.

In this contest and again in 1924 he was unsuccessful, but in 1929 his assiduous wooing of the voters brought him to Westminster to sit behind his father, when the latter began his second Premiership. During his first two sessions he spoke rarely but he managed to impress the House of Commons with his ability and debating powers. In 1931, when Ramsay MacDonald left the Labor party to its fate and formed, with the co-operation of the Conservative and Liberal leaders, a Coalition Ministry, his son stuck by him and was given his first official post as Under-Secretary for the Dominions.

For four years he was a very industrious and useful understudy to the exuberant Jimmy Thomas. When Stanley Baldwin took over the Premiership in 1935, he was promoted to the sacred circle of the Cabinet as Secretary for the Colonies, a post which faced him with some thorny problems like the Jewish-Arab feud in Palestine. If he was not one of the more colorful figures of the Baldwin Ministry, he was a hardworking one and the late Neville Chamberlain did not displace him.

When Mr. Churchill came to power last May he shifted MacDonald to the Ministry of Health and in this office he has been wrestling with a variety of complicated new duties, created by the Nazi aerial assaults upon Britain. He has behind him, therefore, a very varied experience of administrative work.

In various ways he will be a novelty as High Commissioner, for he is being allowed to retain his seat in Parliament, which is now Ross and Cromarty and he will be the first Socialist and also the first bachelor to hold this office. It is expected that his unmarried sister, Sheila, will come out to keep house for him and in their hands the traditions of hospitality associated with their new home, Earnscliffe, since the days of another Macdonald, the great Sir John, will not be allowed to fade.

* * *

Sayings of the Week

"We had better prepare today to die fighting rather than to fight dying."—*Eddie Rickenbacker, President Eastern Air Lines.*

* * *

"No matter what the cost, it is cheaper to be ready too soon and too much than too little and too late."—*Frank Knox, U. S. Secretary of Navy.*

* * *

"I do not object to fair criticism. I believe in fact that our department should be criticized."—*Hon. C. D. Howe, Minister of Munitions and Supply.*

* * *

"It does not matter which branch of agriculture we are dealing with—whether it be wheat, livestock or dairy products—no great, national, long-term policy can be decided upon under conditions such as the world is passing through today." — *Hon. J. G. Gardiner, Minister of Agriculture.*

* * *

"A people that would govern itself needs to be daily reminded that before this day time was, and after it, time will be. Without this there can be no steady plowing through the calm and the storm, there can only be a tossing about on the waves."—*Clarence Streit, author of Union Now.*

* * *

"In this fact of co-operation between governments and organization of employers and workers lies much of the strength and unity of purpose of the British people today. In the acceptance of such co-operation lies much of the force of democracy everywhere."—*John G. Winant, United States Ambassador to Britain.*

* * *

Stop Me If . . . .

A certain officer's confidential report had written on it, by his commanding officer: "This officer should go far."

The Brigadier added, "The farther the better," and finally the Divisional Commander wrote: "He should start at once."

The Financial Post
Member Audit Bureau of Circulations
A weekly newspaper, presenting in a popular manner reliable information respecting investments, business and national affairs in Canada.
FLOYD S. CHALMERS, Editor
DOUGLAS M. GOWDY, Business Manager.
Published by
The MacLean Publishing Co., Limited
481 University Avenue, Toronto 2
JOHN BAYNE MACLEAN, Founder and Chairman.
HORACE T. HUNTER, President.
H. VICTOR TYRRELL, Vice-President and Managing Director.
Subscription Terms: Single copies, 10 cents. Yearly, in Canada, United States, Mexico and British Empire, $5; all other countries, $6.
Advertising Rates: Single insertion $4.20 per inch. Contract terms upon request.
Montreal: Dominion Square Building. Murray R. Chipman, Eastern Manager; John E. Langdon, Eastern Editor.
London, England: Sun of Canada Bldg., 2, 3 and 4 Cockspur St., S.W.1.

Other People's Views . . . .

The Canadian Editorial of the Week

The Story is Told

Windsor Daily Star

Mainly because of its effect on the American mind, Prime Minister Mackenzie King's stirring analysis of what Canada is doing and has done to support Britain in the war is a valuable thing. It is what the people of Canada have been waiting for. They should not have had to wait so long.

Fortunately for us the people of the United States hold for us a friendliness which cannot be seriously injured by scandal and innuendo. Had it been capable of that, we might have fared rather badly when the Lease-Lend Bill was under consideration before Congress. On that occasion, we had to sit quietly by and allow ourselves and our war effort to be libelled and condemned, and no answer came from those who had the ability and the duty to speak out for Canada.

The Congress, backed by the wishes of the American people, voted to our cause the help we needed, in spite of the insinuations, and in fact, the open charges, that we were doing considerably less to help Britain than the United States was being asked to do. We should not have had to endure that.

There has been, on the part of the Government, an apparent belief that we should keep almost entirely silent about our contribution to the Empire cause. This has evidently been prompted either by an excess of caution or a false modesty. Prudence and a distaste for the appearance of boastfulness are doubtless splendid qualities, but they can be carried to dangerous extremes.

There undoubtedly has been a fear on the part of Mr. King that any hint of propaganda would be offensive to the United States. The people in that country, of course, are quick to detect and resent blatant distortion of facts and brazen bids for favor. They do not object to plain, reliable information. In fact, they want it.

That we have nothing to be ashamed of in respect to our war effort becomes apparent in every line of Mr. King's speech. It is easily the most striking and most valuable utterance he has made since the war began. He has told Canada and the world the things they wanted to know, and which they should have known all along.

* * *

AS Others See Us

Is This the Answer?

Lethbridge Herald

Has The Financial Post found the reason for the scuttling of the Ottawa Conference by Hepburn, Aberhart and Pattullo? What The Post intimates is that if the conference had proceeded the Dominion Government's officials had material available that would have shattered every criticism.

To what extent were the wrecking tactics of the dissentients determined by the knowledge that their objections to the Sirois Commission's financial recommendations would in turn be submitted to examination and criticism by competent experts?

The answer the Winnipeg Free Press gives to this question is that this was the chief and probably the sole determinant of their improvised panic resolve to wreck the conference forthwith. They were not prepared to have their objections to the course, recommended by the Commission and favored by the Dominion, submitted to a destroying examination by competent authorities.

So they upset the conference before it started. They knew their arguments couldn't stand under the dissection of experts and being determined to resist they made demagogic speeches with reference to everything else but the contents of the report—and forced the conference to dissolve. Not having a good case, they were afraid to discuss the report in the open.

* * *

What the Papers Are Saying

Forty Planes a Week

Ottawa Journal

Mr. Ralph Bell, hustling Director of Aircraft Production, rises to tell that Canadian aircraft plants are now turning out planes at the rate of 40 a week. This, he predicts — or hopes — will be stepped up shortly to 80 planes a week.

Forty planes a week are a fairly far cry from what we were promised, and hoped for, at this time some six or eight months ago.

On the other hand, and forgetting about water that is over the dam, let none of us imagine that 40 planes a week doesn't represent a fairly sizeable achievement for what, after all, is an infant aircraft industry.

Now, after a lot of grief, and perhaps after something of the inefficiency of inexperience, we appear to be on our way. The industry knows more than it knew six months ago; Mr. Bell knows a great deal more; and Mr. Howe (as he would be the first to admit) a mighty lot more. With the combination of all three, with more skill, experience and organization, we may expect reasonably that we shall go on from 40 planes weekly to 80 planes weekly, and that in good time we shall surpass that.

* * *

Free Traders Heard From

Winnipeg Free Press

One of the high moments of the great Toronto meeting on Monday was when the free traders of that fair city—thousands of them, to judge by the volume of cheering—broke out into tumultuous applause when Mr. Willkie made this statement:

> The British Commonwealth of Nations and the United States must join together in eliminating their own trade barriers and obstructions.

Nothing like it was ever heard before in that neighborhood; and it becomes a matter of interest to speculate as to whether it was a momentary emotional response to a moving appeal, or the avowal of a new and enlightened point of view.

* * *

Canada's Great War Effort

St. John's News

Canada now has more than 50,000 troops in Great Britain but the chief demand upon her in this war is for airplanes, tanks and other materials of war. Her participation in the building of corvettes is particularly important for these craft, which are ideal for submarine-chasing and for convoy operations, are wanted in great numbers for the Battle of the Atlantic.

But while the Dominion's war effort is being expanded, there are many critics of the Government's method of procuring maximum production and a rising clamor for the appointment of a production co-ordinator.

The Financial Post puts it this way: "Canada's war supply will remain bogged down in many of its essential parts, there will continue to be confusion and delays and waste until War Supply is reorganized as a business operation. A 'General Manager' must be appointed to co-ordinate the work; a time-proved executive with authority to hack through the jungle of politics and red tape and clear a straight road to results."

* * *

Need For War Cabinet

Ottawa Citizen

Canada's constitution is modelled more after British parliamentary practice. In the United Kingdom, however, Prime Minister Churchill took steps almost immediately after assuming office to appoint a war cabinet—without limitations of party politics. Experience in the last war demonstrated the necessity of this council of cabinet ministers to be concerned entirely with the direction of war policy. The need of similar action in Canada is being made apparent from day to day on Parliament Hill in Ottawa.

A war cabinet of about five ministers is as necessary in Canada as it is in the United Kingdom. It must tend to become even more urgent. An aroused Canadian public would welcome a war cabinet concerned only with the direction of the Canadian war effort, without the distractions of party politics or departmental details, but pressing forward to produce victory out of the years of sacrifice ahead.

Week in Business

Business Prepares For Higher Taxes

Additional Sugar Impost Taken as Indication of What is Coming — Retail Trade Continues on Higher Level Despite Restrictive Factors

Announcement this week of a tax of an extra cent on every pound of sugar sold in Canada is regarded in business circles as an indication of what is to be expected in the forthcoming budget. Business generally is looking for further substantial increases in taxes, with greatest changes expected on luxury or semi-luxury lines.

Interest is keen not only in the extent of the increases but also where they will fall. The more money is paid in taxes the less there is for the purchase of goods.

To at least some extent, the larger tax revenue required will come from the new army of national defense taxpayers; people who formerly were not earning enough or who had not yet begun to earn. Estimates of the number of people who will become employed during the coming year vary from 200,000 to 300,000. If each of these pay say $100 a year in income and national defense taxes it will mean additional revenue of upwards of $20 millions. New taxes paid indirectly will possibly be larger than this. In addition, the income of some of the people already employed has been increased bringing them into a higher income tax bracket. And if the two million odd others who are already employed pay only $50 extra piece, the revenue would be over $100 millions.

In some quarters, it is thought the general sales tax may be increased. It is also felt that present exemptions from sales tax on certain materials may be withdrawn. Some of these exemptions were allowed some years ago to stimulate certain industries. As the need of this has now passed, some expect the exemptions may be removed.

* * *

General business continues active and well above last year's level in spite of a number of factors tending to curtail buying. Two of these are: the cold weather, and the competition of taxation and various war funds for the citizen's dollar. The approach of Easter, however, has tended to offset these to some extent, especially as regards men's and women's wearing apparel.

The statistics of carloadings reflect the increased movement of consumer goods as well as heavier lines. Carloadings of merchandise in less than carload lots so far this year shows an increase of about 10% over 1940 while improvement is shown in a number of other items.

* * *

The increased activity in the United States due to the lease-lend plan as well as their own armament programme has stimulated demand for nickel, lead and zinc and prospects are that certain raw materials that Canada produces and can spare from her own war programme will be wanted there in large volume. This will help to provide the United States dollars so badly needed.

Hopes continue strong that tourists from the United States will be seen in larger volume this year than last. Some United States organizations have decided to hold conventions in Canada this year with the object of helping Canadian exchange.

Business Indicators

Current business active, D.B.S. index of business activity for week ended March 22 being well above last year, though pulled below previous week by reduced carloadings and bank clearings.

Railway carloadings for week ended March 22 and year to date substantially higher than year ago.

Construction contracts awarded in March up 19.3% from last year.

Iron and steel production in February above 1940 levels.

Canadian imports 25% higher in February than in 1940.

Trend of business shown by The Financial Post Business Index and following key factors, new items for the week being marked thus ▪

TREND OF BUSINESS—	Mar. 22	Mar. 15	Mar. 8	Mar. 1	Mar. 23/40
Weekly index of business, D.B.S.	108.4	110.6	110.3	110.7	101.5
Commodity prices index no.	86.0	85.7	85.5	85.3	83.2
	Feb.	Jan.	Dec.	Nov.	Year Ago
The Financial Post business index	*152.9	154.6	152.9	153.4	132.9
Retail sales index no.	....	124.2	131.0	123.1	110.8
Dept. stores sales index no.	125.4	123.2	132.0	128.5	108.2
Wholesale sales index no.	....	106.1	125.0	131.7	98.0
Country store (% change pr. yr.)	....	+2.4	+3.8	+15.4	+11.9
EMPLOYMENT INDEX Nos., D.B.S.	**Feb. 1**	**Jan. 1**	**Dec. 1**	**Nov. 1**	**Year Ago**
All industries	135.2	134.2	139.1	139.2	114.4
Manufacturing	147.4	142.5	144.7	144.6	120.5
Living costs weekly budget	$18.13	$18.26	$18.22	$18.14	$17.71
			Jan. 1 to date		%
RAILWAYS	**1940-41**	**1939-40**	**1940-41**	**1939-40**	**Change**
▪Carloadings (week Mar. 22)	56,090	40,989	642,823	560,913	+14.6
C.N.R. gross (week Mar. 21)	$ 5,253,629	4,088,878	56,765,403	47,501,779	+19.5
C.P.R. gross (week Mar. 21)	$ 3,899,000	2,625,000	39,843,000	32,028,000	+24.4
C.N.R. net revenue (Feb.)	$ 2,609,117	1,763,188	5,759,511	3,434,984	+67.7
▪C.P.R. net revenue (Feb.)	$ 2,608,569	1,972,421	5,274,331	3,800,927	+38.7
IRON AND STEEL—Feb.—					
▪Pig iron production (tons)	91,165	87,032	194,250	191,735	+1.3
▪Steel ingots and castings prod. .... (tons)	172,698	140,343	358,975	306,839	+17.0
AUTOMOBILES—(Number)—					
Passenger Cars:					
Domestic sales* .. (Jan.)	5,727	6,738	....	....	—15.0
Factory output ... (Feb.)	10,647	12,779	22,637	25,358	—10.7
Trucks and Buses:					
Domestic sales* .. (Jan.)	2,279	2,036	....	....	+11.9
Factory output ... (Feb.)	13,063	5,414	24,268	10,048	+14.2
Financing:					
Used .... (Feb.)	$ 2,890,020	2,223,756	5,297,171	4,016,975	+31.9
New .... (Feb.)	$ 2,454,932	1,963,864	4,592,801	3,798,852	+20.9
CONSTRUCTION—					
▪Contracts awarded . (Mar.)	$ 13,991,900	11,726,100	65,276,300	32,339,700	+102.0
Cement prod., bbls. (Nov.)	643,522	421,373	7,271,232	5,525,756	+31.6
AGRICULTURE—					
Flour prod., bbls. .. (Jan.)	1,177,000	1,266,303	....	....	—7.0
Flour exp., bbls. ... (Feb.)	606,757	559,338	961,575	1,284,655	—25.1
Wheat exp., bush. .. (Feb.)	9,459,594	6,593,237	14,339,674	16,955,842	—15.4
Cattle sales▲ .... (Feb.)	68,750	60,979	152,457	144,613	+5.4
Hog sales▲ .... (Feb.)	511,468	372,055	1,043,727	765,253	+36.3
SEA FISHERIES—‡					
Catch cwts. .... (Feb.)	280,800	1,137,700	872,700	2,163,600	—59.6
Landed value ...... (Feb.)	452,300	668,700	1,105,400	1,415,200	—21.8
NEWSPRINT—					
Production, tons ... (Feb.)	245,607	231,823	506,905	482,855	+5.0
Exports, tons .... (Dec.)	263,450	255,258	3,242,786	2,658,690	+21.9
MINING AND OILS—					
Coal prod., tons .... (Jan.)	1,745,482	1,732,681	....	....	+0.7
Coal imports, tons .. (Jan.)	529,570	457,075	....	....	+15.9
Gold prod., fine oz. (Feb.)	411,880	348,739	873,482	773,120	+12.9
Crude oil prod., bbl. (Dec.)	738,454	502,920	8,718,053	7,837,503	+11.2
Crude oil imp., bbl. (Dec.)	2,212,246	1,793,830	42,415,300	37,311,430	+13.7
ELECTRIC POWER OUTPUT—(February)—					
▪Total monthly, 1,000 kw.h.'s	2,407,068	2,367,031	5,041,763	4,893,174	+3.0
FOREIGN TRADE—♦					
▪Imports .... (Feb.)	89,631,628	71,041,535	188,014,090	142,145,698	+32.2
Exports .... (Feb.)	100,533,143	72,314,071	189,485,802	163,167,908	+16.1
OTHER INDUSTRIAL FACTORS—					
Dressed lumber exp.: 1,000 bd. ft. ...... (Feb.)	151,941	117,668	316,833	285,195	+11.1
Shoes, prod., pr. ... (Jan.)	1,901,085	2,073,528	....	....	—8.3
Cotton consump., lb. (Feb.)	16,603,876	17,927,590	32,283,458	31,601,104	+2.1
Raw rubber imp., lb. (Jan.)	13,522,707	11,305,227	....	....	+19.6
Cigarette cons. No.† (Feb.)	556,519	500,689	1,180,090	1,134,961	+3.9
Sugar manufactured . lb.§	43,313,001	33,158,321	81,234,157	87,886,708	—7.5
FINANCE—					
Bank debits† ...... (Feb.)	$ 2,540,182	2,955,217	5,481,286	5,629,552	—2.6
Bond sales† .... (Feb.)	$ 115,288	116,734	196,596,489	436,922,335	—55.0
Life insurance sales (Feb.)	$ 31,500,000	31,820,000	59,826,000	65,546,000	—8.7

*D.B.S. All Canada figure covering over 90% of the Canadian total.
‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C. *Preliminary.
▲Total at yards and plants
New items for week marked ▪
†000's omitted. §For four weeks to Feb. 22. ♦Gold excluded.

Power Corp. Group Output Unchanged

From Our Own Correspondent

MONTREAL. — Power Corp. of Canada's subsidiary and affiliated companies report an output in January of 225.4 million kw.h. of electrical energy, or practically the same as in the same month a year ago.

Aggregate output for the seven months ended Jan. 31, 1941, amounted to 1,463 kw.h. compared with 1,490 million kw.h. for the like period of the previous year, decrease of 1.8%.

January output by individual companies compares as follows, all figures being in kilowatt hours:

	1941	1940
S. Can. Power	22,157,580	16,844,100
Can. Northern	63,857,582	66,912,069
East Kootenay	7,677,364	7,627,460
B. C. Power	63,116,708	57,626,222
Northern B. C. ...	1,176,504	1,020,692
Winnipeg Elec.	67,410,900	75,618,000

New Building

Reported by Engineering & Contract Record.

Dominion Dept. of Munitions & Supply has awarded general contract to Hill Clark Francis Ltd., New Liskeard, Ont., for erection of temporary buildings for army trade school at Hamilton, Ont., estimated cost of $504,000.

Sarnia Elevator Co., subsidiary of Toronto Elevators Ltd., has awarded contracts for construction of $250,000 grain elevator on St. Clair River front at Sarnia.

Jewish Incurable Hospital & Hebrew Consumptive Aid Association of Canada is initiating work on $140,000 hospital in Montreal.

Ontario College of Pharmacy has $100,000 programme of alterations and extension under way.

Canadian Broadcasting Corp. has awarded contracts for construction of 50,000 watt radio station at Dixie, Ont.

Metropolitan Stores Ltd. has awarded general contract for $200,000 programme of alterations at its Sparks St. store in Ottawa.

Three Rivers Grain and Elevator Co. is building $250,000 grain storage unit.

T. C. A. Reports 1940 Surplus

Gross Revenue in Year Near Double 1939 — To Extend Services

From Our Own Correspondent

MONTREAL. — Marked betterment is reported for operations of Trans-Canada Air Lines in the year ended Dec. 31, 1940. Surplus of $539,263 is shown, compared with a deficit of $411,657 in 1939.

Gross revenue in 1940 totalled $4.6 millions, compared with $2.4 millions in the preceding year. Operating costs were reduced from 88.4 cents a mile to 76.9 cents, a decrease of 13%.

Revenue passengers totalled 53,180, compared with 21,569 in 1939, an increase of 150%. Average passenger journey was 551 miles. Demand was so great in the summer and early fall months the line found it impossible to meet demand.

Routes Cover 3,662 Miles

Routes operated in 1940 totalled 3,662 miles. Aircraft flew a total of 5.3 million miles in 1940, with a total of 32,552 hours. Since operations commenced in Sept., 1937, T. C. A. planes have flown 10.4 million miles during 65,291 hours in the air.

Number of miles flown daily in regular air mail service at the end of 1940 was 15,144 miles, compared with 8,188 at the end of 1939. Mail carried totalled 927,037 lb. in 1940, an increase of 65% over the preceding year.

Trans-Canada received 60 cents a plane mile for airmail, a rate which was materially reduced at March 31 this year.

Air express shipments amounted to 105,788 lb., compared with 45,819 lb. in the preceding year.

New York-Toronto Service

About April 15 the company will commence direct service between Toronto and New York, S. J. Hungerford, president, forecasts. There will be an initial schedule of two round trips daily over this route.

Present schedule between Montreal and Moncton will be increased around April 15 to two round trips daily. At the same time service will be extended from Moncton to Halifax, with two round trips from Montreal. Later in the year a third transcontinental trip is held possible. Flight between Seattle and Vancouver is being discarded.

Property and equipment of T.C.A. is valued in the balance sheet at $4.9 millions, for which there is depreciation reserve of $1.3 million. In 1940 there were 15 Lockheed 14-H aircraft in operation, and six Lockheed Lodestars. Shop and hangar additions were made at Winnipeg during the year. Construction of a 200-ft. hangar was commenced at the Dorval airport near Montreal.

During 1940 traffic headquarters of the organization was transferred from Montreal to Winnipeg. Staff employed at the end of the year totalled 789.

Income Acount
Years Ended Dec. 31

	1940	1939
	$	$
Gross Revenue:		
Passenger	1,574,217	643,915
Mail	2,832,363	1,632,873
Express	39,489	23,613
Other	146,314	50,590
	4,592,383	2,350,991
Operating Expenses:		
Aircraft oper. & main.	2,041,590	1,724,153
Depreciation	595,724	
Ground oper. & main.	688,870	†636,257
Depreciation	105,776	
Traffic & gen. admni.	301,256	195,032
Int. on cap. inv.	187,500	175,905
Other	132,404	31,301
	4,053,120	2,762,648
Surplus	539,263	*411,657

*Deficit provided by Dominion subsidy.
†Depreciation reserve of $557,342 provided in operating expenses in 1939.

Textile Plants Maintain Activity

From Our Own Correspondent

MONTREAL.—Activity in Canadian textile mills was well maintained in February, cotton consumption figures of the Cotton Institute of Canada reveal.

There were 33,683 of 500-pound gross bales opened during the month, compared with 35,740 bales in the same month last year, the highest of 1940.

In January this year, there were 31,701 bales opened by Canadian textile mills. Aggregate of the first two months of the year shows an increase of 3.6% over the corresponding period of 1940.

Keeping Posted . . . . . .

By JOHN C. KIRKWOOD

JOHN C. KIRKWOOD

After you have read the article, "Singapore," in the April 1 issue of Maclean's Magazine, you will sleep more soundly. Your fears regarding the menace of Japan will have fled. "In the final analysis," says Henry Peterson, the author, "Japan is only a jackal in wolf's clothing. Like Italy's against Egypt, her first stroke against Singapore failing — as it will — she would be brought to her knees in six months."

Mr. Peterson writes out of much knowledge, and his analysis of the Far Eastern situation is very comforting. "There would be no doubt whatever," he says, "which fleet would lie at the bottom of the ocean after an action between the United States and Japanese fleets."

* * *

How to Help

From coast to coast, from large organizations and individuals, letters have been received by Chatelaine asking such questions as, "What is the best way to help?" How can we prepare ourselves for active participation in the war effort of our country?" "Should we train ourselves for certain work—or is it all a waste of time?" Answers to these questions are given in the April issue of Chatelaine by Miss Charlotte Whitton, executive director of the Canadian Welfare Council.

* * *

Urban Boom?

For the 53rd time the publishers of Hardware and Metal have produced an annual spring buying and directory number this year—a 210-page issue.

The war is making it increasingly difficult for hardware dealers to get certain classes of merchandise and is giving them many perplexing problems. Thus, shall a hardware dealer "stock up" heavily? One manufacturer's reply to this question is this:

"The retailer could not lose by buying as much of his first half-year's requirements as he can handle. He should reorder supplies while he would still have at least three months' normal stock available."

Another manufacturer said: "It seems as if . . . . business should be better in the towns and cities than in the purely rural communities."

* * *

Different Likes

Just as the present-day demand of housewives is for small joints, so is the current demand for small table model radio sets. Whereas in 1937 the proportion of sales of radio sets was 53: for table models and 47% for console models, the 1940 proportion was 77.7% for table models and 22.3% for console models.

Hardware and Metal says: Due to the great variety of programmes on the air, different members of a family want to listen to different programmes. Under the circumstances it is desirable to have at least two sets, and possibly several, in every home.

* * *

Mammoth

In British Columbia has been produced a book of 2,288 pages. That's twice as many pages as in "Anthony Adverse" and "Gone With the Wind." But the edition was limited to but 70 copies. It is the appeal presentation to the Supreme Court in the famous Bloedel, Stewart & Welch case arising out of the big forest fire on Vancouver Island in the summer of 1938. Accompanying the book was a large cardboard container in which was a selection of large-scale maps.

* * *

New Boom?

Cornwall is smiling. It sees itself likely to become bigger and more prosperous as a consequence of the St. Lawrence Waterway project. Now its factories employ 5,000 men and women to whom was paid last year $6 millions in wages. On April 1 its tri-weekly newspaper, The Standard-Freeholder, became a daily. Its publisher is Howard Fleming, also the publisher of the Owen Sound Sun-Times.

* * *

One of the Best

Said to be one of the most imposing buildings in the weekly newspaper field in Canada is the new home of the Leader-Mail, Granby, Que., and the picture of it in the March issue of Canadian Printer & Publisher shows it to be architecturally attractive. Less than two years were destroyed by fire. Publisher of this progressive weekly is Walter R. Legge. Walter is a musician as well as an editor, having been organist and choir master of a local church for 20 years.

* * *

Emergency Squad

Cars on the emergency squad of vehicles operated by Montreal Light, Heat & Power carry a fire extinguisher, a 28-foot sectional ladder and a first-aid kit. Some of their men are graduates of the St. John Ambulance. Indeed, it is an objective of M. L. H. & P. to make every person on the company staff a St. John Ambulance first-aider. From help with a pulmoter to taking down a frightened cat from the top of a telegraph pole represents the range of service provided by an emergency car and its crew.

* * *

Fleet Operating

The services rendered by M. L. H. & P. are widely varied and the company operates 80 trucks and 61 passenger cars. A good article on M. L. H. & P.'s fleet appears in the March issue of Bus and Truck Transport.

* * *

Do It Right

About the heating of your home—be careful! Here's a story in the March Sanitary Engineer. The owner of a two-family duplex in Toronto thought he would save money on the heating system. He installed a cheap stoker for which a coal company was the agent. An inexpert mechanic was employed to make the installation. The new system of heating failed to heat the building. Then the coal company advised the installation of a circulator and put in a secondhand one. Still no satisfactory heat. Then a new boiler—a large size—composed of parts of two ancient boilers was installed. Then the tenants moved out.

With no income from the duplex and with mortgage obligations to meet, the owner surrendered the property to the mortgage holders. The new owner went to a competent heating contractor, who advised a proper repiping job, and a return to the original way of heating.

The point of the story is: If you have to deal with the problem of heating your building, go to a competent heating engineer and shun secondhand equipment.

C.P.R. Earnings Near Record

February Gross and Net at Pre-depression Levels This Year

From Our Own Correspondent

MONTREAL. — Net earnings of Canadan Pacific Railway Co. amounted to $2.6 millions in February, an increase of $636,148 over the same month last year. Gross earnings of $14.1 millions were the highest for any corresponding month since 1929, when they totalled $14.5 millions. Net earnings were slightly better than the previous high for February of $2.6 millions, reached in 1928.

Gross earnings for January and February totalled $5.3 millions, an increase of $4.6 millions over the same period last year. Net earnings for the two months amounted to $5.3 millions, an increase of $1.5 millions over the corresponding period last year.

Operating Statement

	1941	1940
February:	$	$
Gross earnings	14,107,339	11,915,419
Less: Oper. exps. ..	11,498,769	9,942,997
Net earnings	2,608,570	1,972,422
Two Mos. to Feb. 28		
Gross earnings	28,792,684	24,159,964
Less: Oper. exps. ...	23,518,353	20,359,037
Net earnings	5,274,331	3,800,927

Nfld. Revenue Gains Expenditure Reduced

From Our Own Correspondent

Revenue of the Newfoundland Commission of Government increased to $881,803 in February from $661,414 in the same month last year, while expenditure dropped to $735,378 from $850,587 in February, 1940.

In the eight months period to February 28, revenue totalled $9.1 millions, an increase of $1.2 million over the corresponding period last year. Expenditure was cut by $990,996 to $9.2 millions.

Weekly Rail Earnings Show 36.3% Gain

From Our Own Correspondent

MONTREAL. — Combined traffic earnings of Canadian National Railways System and Canadian Pacific Railway Co. in the week ended Mar. 21 totalled $9.2 millions, an increase of $2.4 millions, or 36.3% over the same week last year. Increase of C. P. R. was equal to 48.5%, while that of C. N. R. amounted to 28.5%.

Combined gross earnings of the two railways in the year to March 21 total $96.6 millions, an increase of $17 millions, or 21.4% over the corresponding period of 1940. C. P. R. earnings in the year to date were up 24.4%, and C. N. R. betterment was equal to 17.3%.

IF AN AIRPLANE lands on your house..

You don't expect one to, but it has happened and the sharp rise in air traffic makes it even less remote.

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• • •

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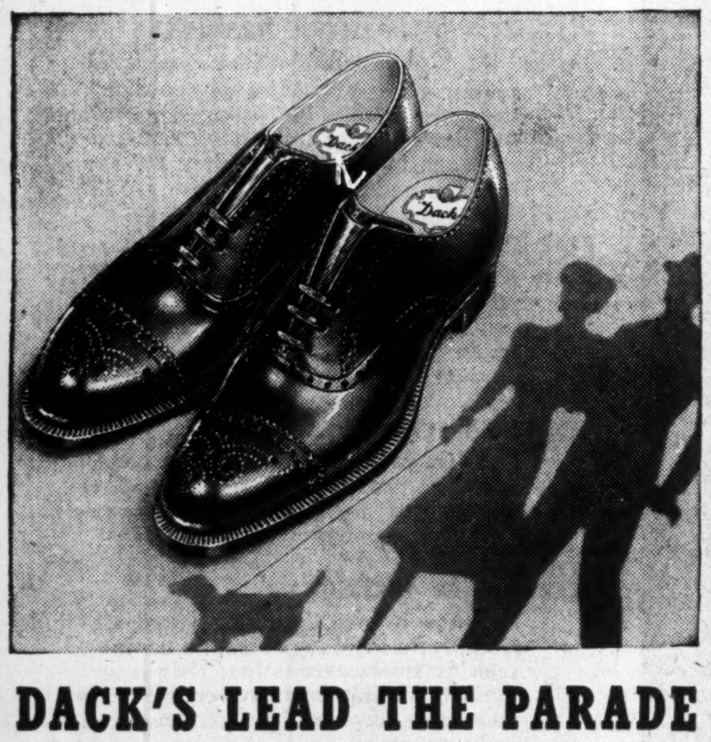

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Pulp and Paper Industry

Abitibi Commission Recommends Two Stage Plan, Receivership End

A reorganization plan for Abitibi Power & Paper Co. which involves a minimum disturbance to the existing capitalization and contemplates a later stage for completing rehabilitation of the company has been announced by the Ontario Royal Commission on Abitibi.

The commission's report, tabled in the Ontario Legislature, declares that recent tax requirements have made all previous plans for reorganizing Abitibi impracticable.

The actual plan of reorganization can be summarized as follows:

Maturity of the existing 5%, due June 1, 1953, bonds should be extended to Dec. 1, 1965. Present sinking fund provisions should be eliminated. Past due interest should be calculated to Dec. 1, 1940, but from that date no further accumulation of interest on interest should be allowed.

Pay Interest Coupon

On consummation of the plan, immediate payment of one interest coupon would be made, with overdue interest thereon. Future interest payments would be conditional on maintaining working capital at a minimum of $10.5 millions. Working capital in excess of $10.5 millions would be used to pay next interest due on the bonds, and any further balance to purchase bonds for retirement in the open market or at par, whichever is the lower.

For the next five years, or until outstanding bonds are reduced to $35 millions, the company would be run by a board of seven directors of whom four would represent bondholders and three preferred shareholders. At termination of the allotted period, control of the company would return to shareholders.

Cut Dividends

Rate of dividend of the present 7% preferred would be reduced to 3½% and on the 6% preferred to 3%. All dividends would become non-cumulative. No dividends would be paid until ordinary creditors are paid in full.

No other changes in share capital are contemplated immediately but the reports states that "if earnings justify it, some future reorganization among shareholding interests may be involved."

When the plan becomes effective, the new company would deliver to the Montreal Trust Co., as trustee for bondholders, a quit claim and release of all its properties and assets in escrow. This would become effective, giving bondholders full title to the company, at any time during a five-year period from Dec. 1, 1940, if the company failed to pay current interest on bonds for six months or working capital fell below $10.5 millions for six months.

If the plan is put into effect, the receiver and manager and the liquidator should at once resign and present bondholders' actions (sale proceedings) against the company be discontinued. The company would also pay costs, including expenses of committees.

Creditor Payment Delayed

Ordinary creditors would get 50% of their claims in equal installments over a four-year period, providing there was no default on the bonds in the meantime. The remaining half would be paid in a similar manner over an additional four-year period if there had been no default at the end of five years.

No effective plan can be based on history of earnings, the commission feels. British or United States capital could not be obtained at present. There is no sound period in the past on which to base a plan. The future is uncertain because of the war which may mean high earnings for a time but its end may mean heavy competition and troubles.

Against Immediate Sale

An immediate sale is inadvisable and would amount "in fact to a foreclosure, or that holders of securities junior to the bonds should be shut out from an equity that may exist, or that may arise should the condition of the company improve substantially. The commission thinks, however, that any plan that may be worked out with respect to the company should preserve the bondholders' right to have their claims satisfied fully in the future before anything is paid to any holders of junior securities."

Danger of another reorganization in the near future must be obviated by any plan, the commission feels. A moratorium plan, such as is proposed, cannot remain in force indefinitely unless earnings continue on a level which keeps improving the position of bondholders. If the view of junior security holders regarding future earnings proves erroneous, bondholders might find their interests again seriously jeopardized. In such a case the commission thinks "machinery must be provided by which junior security holders, acting through the company, must release all interest in the properties to the trustee for bondholders." The quit claim and release mentioned above provides for this.

Watch Tax Effects

Regarding the effect of new taxation on plans previously submitted, the report states:

"It is advisable that any plan formulated should avoid the conversion of existing securities into any form of security that will be subject to a tax which would not be imposed in respect of securities previously existing. It is not in the public interest, notwithstanding the exigencies of war, that taxation should deprive the company of every prospect of emerging from its difficulties."

Suggests Special Act

To put the proposals into effect, the commission suggests:

"If the parties interested cannot agree to apply for special legislation to make the plan effective, the liquidator should make application under the Companies Creditors Arrangement Act for sanction of the plan. The votes of ordinary creditors and shareholders should be taken first and, if they approve, then a vote of bondholders may be taken."

The commission admits that its suggestions are not a definite and complete solution and adds that this is so because of the unpredictable trend of earnings.

"In the present circumstances we feel that the best that can be done is to preserve a reasonable status quo while giving an opportunity for the financial situation to work itself out while at the same time preserving to bondholders their priority position."

Sell Non-Essential Assets

It is the commission's hope that capital assets not required for the essential operations of the company should be sold and the proceeds distributed to bondholders either as interest or through purchase of bonds.

"The important thing at the moment is co-operative action on the part of the Ontario Government so that the greatest good may be obtained for the greatest number. The whole newsprint industry is much in the same position. Confidence must be restored and this can best be assured by constructive and sympathetic Government action which recognizes a vested interest in the investments of the public. It is our hope that the 1940 volume of earnings will be maintained and, if that proves to be the case, the shareholders will eventually have a real interest. At the present time we do not think it equitable that they should be shut out from the opportunity."

Critical of Political Favors

The Government, on one hand, has built up a contractual obligation for the development of important areas of the province. On the other hand, it is also a trustee of the public domain.

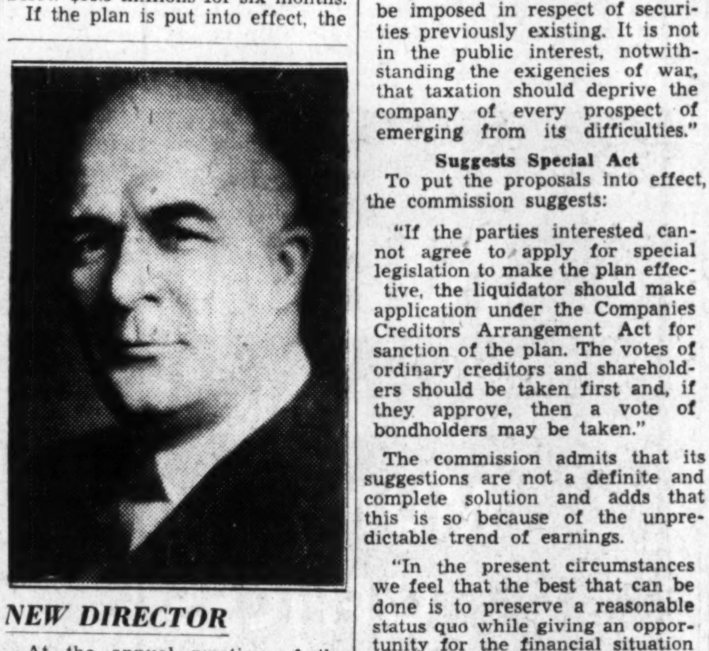
"In our view," concludes the report, "the day of dispersing favors in the form of timber concessions to new political friends has long gone by and for some considerable time to come, the problem will be one largely of judicial administration of the raw material requirements of the industry as presently constituted. A general feeling of insecurity can be detected which can be rectified only by the removal of any suggestion that political considerations and not plain ordinary justice prevail in the relationship between the Government and the industry.

"As to Abitibi particularly, we think its present difficulties should be dealt with in the spirit we have indicated. Certainly this should be the case if its security holders are able to agree on a plan to take it out of receivership. If agreement cannot be arrived at, the question is one of policy for the Government and we offer no suggestions."

Enforce Proration

"The commission agrees with the view that if proration is not maintained to an adequate extent, the industry will go back to the condition existing in 1932 and 1933 and that the value of the Abitibi undertaking depends very largely upon whether proration is enforced or not."

"From a long run viewpoint, one would think the industry itself would appreciate its value and govern its affairs accordingly. Extra good salesmanship on a cut-rate basis conceivably might benefit some particular company. But in the long run, the benefit would probably be only temporary. From the point of view of the national interest in acquiring valuable United States exchange, and from the point of view of labor, proration would seem to be highly desirable and we think that the Government should do all it legitimately can do to keep it in force."



NEW DIRECTOR

At the annual meeting of the Massey-Harris Co., Ltd., H. B. Housser, of H. B. Housser & Co., was elected to the board of directors. Mr. Housser began his business career with the company in 1903 and when he left its employ was an assistant branch manager. His father had a lifetime association with the company in its early days, holding important executive positions including that of secretary, and he too served as a member of the board of directors.

U. S. Pulp Supply Margin May Be Close in 1941

From Our Own Correspondent

MONTREAL. — Potential pulp supplies available for the United States market in 1941 appear to be sufficient for estimated needs, according to a special survey of the Paper Trade Journal.

On the assumption that consumption of purchased pulp during 1941 will be approximately equal to that of the last nine months of 1940, it is estimated United States requirements for this year will be around 185,000 tons per month.

This estimate is based on imports plus U. S. production or sale to domestic markets, plus net decrease in mill and dock stocks from the beginning of April, 1940, to the end of the year.

Estimate Potential Supply

Against this indicated demand the estimated potential quantities of wood pulp available per month for the U. S. domestic market during 1941 are: Imports from Canada, 60,000 tons; U. S. production for sale to domestic markets, 120,000 tons; imports from Europe, 6,000 tons. This makes a total of 186,000 tons.

The Paper Trade Journal points out the tonnage given in the estimated potential quantities represents those which might be available under "all out" operations. It is, of course, possible 1941 monthly consumption will exceed the indicated figure. In this case the excess of consumption over available supplies would again have to be met from inventories.

Shortages Are Possible

From the available data the Paper Trade Journal has drawn the following conclusions in respect to overall pulp supplies, but these may not apply in all respects to individual grades of pulp:

1. Although dock and mill stocks have been drastically reduced, the rate of depletion in recent months has diminished and overall stocks appear sufficient for most of 1941.
2. Available supplies of pulp for the domestic market during 1941 are expected to be in close balance with estimated consumption.

U. S. Paper Mill Activity Reaches New High Rate

From Our Own Correspondent

MONTREAL. — A new high rate for 1941 for production of paper in the United States was reached in the week ended March 22, when American Paper & Pulp Association's Index of paper mill activity advanced to 91.8% from 89.9% in the preceding week.

Paperboard production in the United States in the week ended March 22 was at 82% of capacity, same as in the preceding week.

Power Plant Is Bought By Southern Kraft Corp.

From Our Own Correspondent

MONTREAL. — Southern Kraft Corp., subsidiary of International Paper Co., is reported to have completed negotiations with Alabama Power Co. for the purchase of its steam electric generating plant in Magazine Point, Ala., for $1,750,000 cash.

The acquisition is subject to approval by the Alabama Public Service Commission, which is expected to give authority for transfer of the property at an early date

Gair Co. Sales Higher to Date

Robert Gair Co. sales volume so far this year has been ahead of the corresponding months of 1940, George E. Dyke, president, said at the annual meeting. Since Feb. 1 there has been, he says, a definite upturn in prices for the company's products. He forecast that both income note interest and preferred dividends would be covered with a good margin in the first quarter of 1941. Preferred dividends are likely to be considered by directors in June for the first half of the year.

Earnings of Gair Co. of Canada, this year, he stated, should equal 1940.

Monthly Gross Up

Monthly gross figures compare as follows:

	Gross Income	
	1940	1939
	$	$
January	1,366,000	1,254,000
February	1,391,000	1,231,000
March	*1,500,000	1,265,000
	4,257,000	3,750,000

*Minimum estimate.

Orders on hand at present are the equivalent of 11½ days operation, stated Mr. Dyke, a figure which has seldom been exceeded before. He expects no real difficulty in getting materials although he admitted temporary shortages may occur.

The reorganization plan has received final sanction from Delaware courts and new certificates should be ready in a few weeks.

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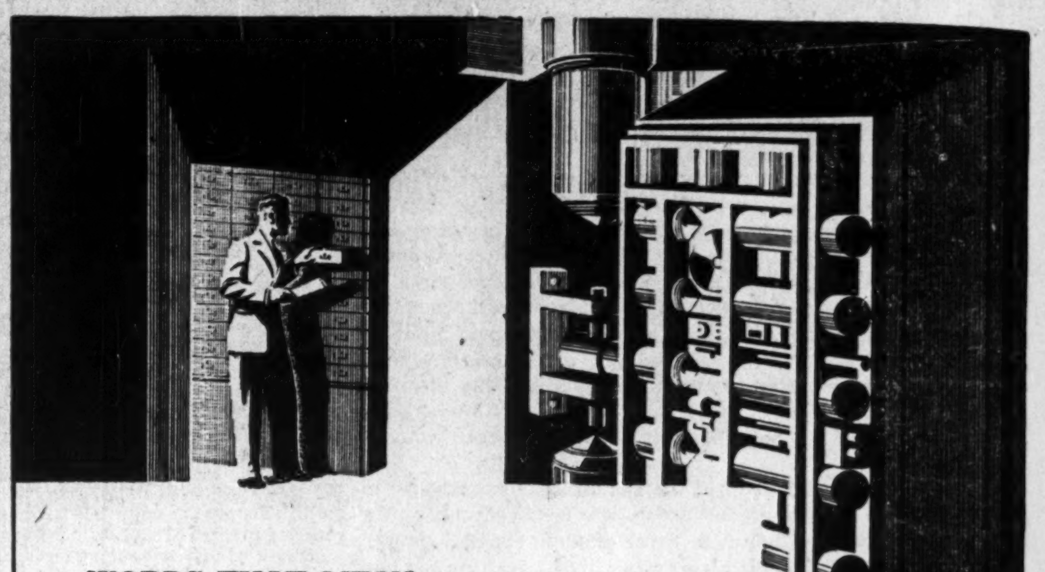

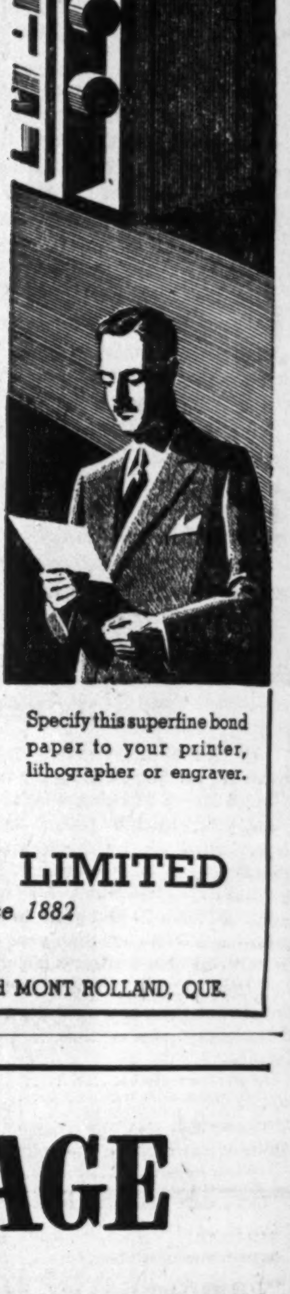

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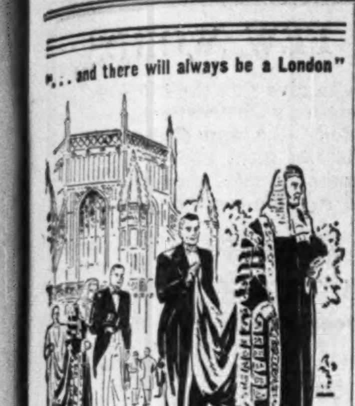
REPAIR COSTS ARE LOWER!

You spend less for repairs when you own a Studebaker and you get more for it when you trade it in. But when your car does need attention, you will find Studebaker distributors throughout the Dominion completely equipped to give you prompt, painstaking service.

Studebaker dealers maintain a substantial supply of repair parts for the service and convenience of their customers, in addition to the huge parts stock in the Studebaker factory at Walkerville.

STUDEBAKER ENTRUSTED WITH TREMENDOUS DEFENSE PROJECT
Airplane engines are to be manufactured on a large scale by Studebaker, but this enormous defense activity is not interfering with the production of Studebaker passenger cars and trucks. Three new plants (now being rushed to completion) will rival any other factories in the world in capacity for airplane engine production.

"... and there will always be a London"



Pipe smokers the world over should be forever grateful to London. There clubmen demanded the highest refinements in the rich pleasures of pipe smoking. There West End tobacconists developed their famous "London Mixtures" to satisfy an exacting clientele. Piccadilly is heir to their achievement — a London Mixture in the noblest tradition.

Piccadilly
LONDON
SMOKING MIXTURE
MILD

Piccadilly
LONDON
SMOKING MIXTURE
MILD

Aircraft Firms Pay For Posters

Second in a series of aircraft worker posters are now being distributed through all aircraft plants in Canada. The first, published a month ago was financed by the Department of War Services, but the full cost of the remainder of the series is being borne by the aircraft companies themselves. The current poster is donated by Canadian Wright Ltd.

The purpose of this compaign is to bring home to the workers their direct personal participation and responsibility in the war.

Latest development in paper manufacture
"Sampson White Envelope"
has a bond finish; is carried in two weights; is brilliant white; is opaque, and has the unusual qualification of having the strength of a rag content bond three times the price.
Toronto Envelope Co.
LIMITED
366 Adelaide St. W., Toronto

DRAKE HOTEL
REGINA, SASK.
In the Heart of the Business Area
FIREPROOF and MODERN
N. J. Taylor, Manager

EXPERIENCED TRAVELLERS
CARRY
MONEY
SAFELY
Canadian Pacific Express
TRAVELLERS CHEQUES

TRADE WITH
GREAT BRITAIN
The ramifications of the Royal Bank of Scotland throughout Great Britain and the entire World enable it to handle every description of British Empire and Foreign Banking business.
Head Office:
EDINBURGH
254 *Branches in All*
LONDON:
Chief City Office:
3 Bishopsgate, E. C. 2
ROYAL BANK
OF SCOTLAND
(Incorporated by Royal Charter 1727)
Total Assets $429,679,150
($5 to £1)
Associated Bank:
Williams Deacon's Bank Ltd.

Banking

John Law Had Bright Money Raising Plan

Used Land as Reserve for Note Issue in France — But Succeeding Inflation Eventually Brought First Panic and Then Depression

This article is the fifth in a series dealing with currency inflation. It discusses the money raising schemes of John Law in France in 1716 which ended disastrously for the people of France. Similar inflationary plans in other countries will be dealt with in succeeding articles.

By DONALD G. MACLEAN
Staff Writer, The Financial Post

While Kublai Khan issued paper money in large volume in China as early as 1360, it was about three hundred years later before it was used in a systematic way in Europe. Paper, by that time, had become a fairly common material and the art of printing had advanced to such a stage that the creation of paper currency was relatively easy.

The first paper money in Europe seems to have been issued mainly by private individuals. It was really in the form of receipts given by bankers or goldsmiths for coin money or precious metal deposited with them for safe keeping. These receipts, when given by reputable people, passed readily from hand to hand and so came to be used as a medium of exchange.

They had some of the advantages of a cheque in that they could be easily traced and accordingly were not so tempting to a highwayman as a gold or silver coin which could not readily be identified Accordingly many people were ready to use them as currency.

Linked to Metal

But these receipts were linked fairly closely with the amount of money or wealth actually on deposit with the issuer, whether he were a money lender, a goldsmith or merchant. So at first there was a fixed limit on the number of receipts issued. But some of the issuers, who may be regarded as the first bankers, found that by issuing a larger number of receipts or notes they could pay their own debts.

As long as too many of these receipts did not come back for redemption at one time, they could pay their own debts and finance their own trade this way. The result was some issued far more receipts than they had any real backing for. But as long as the notes were kept in circulation the issuer did not need to bother about their redemption.

Method Imitated

But as governments saw these people were able to finance their own operations this way, they decided to take a hand in the issue of paper money themselves.

Advantage of this attitude was taken in France by a man called John Law who had evolved a theory that it was practicable to issue paper money or bank notes, not on a reserve of coins, but on land. By a rather complicated calculation he arrived at a system whereby a certain amount of paper money might be issued against every acre of land.

According to this plan a government could theoretically issue notes to the value of all the land in the country.

Visiting Paris in 1716 when the Regent, the Duke of Orleans, was embarrassed for lack of money, Law won the regent's confidence in his theory and was authorized to establish a bank. Although it was at first a private institution, this bank had power to issue notes based on the land value of the country but redeemable at sight in an amount of coin money of weight and fineness mentioned on the face of the note. These notes were used to pay the government's debts.

Stability at First

At first the bank and its notes brought stability to the Government finances. The notes were highly regarded. But the temptation to finace Government operation by printing more money was too strong. The value of the land of France was enormous, the amount of coin that normally had to be kept for redemption was relatively small.

Accordingly the note issue rose to 60 million livres against a capital of 6 millions. In 1718 the bank was made a government institution, known as La Banque Royale. The King guaranteed its notes. Everything looked fine. The shares of the bank rose sharply in price. They were the blue chip stocks of the time.

Prices of other things rose too, but money was plentiful, trade active and everybody seemed to be prosperous. At the same time, coolheaded observers saw that if a reasonable dividend was to be paid on the inflated value of the bank shares, profits would have to be increased far beyond what they actually were.

The West India Co.

But John Law did not have time to think about such things. He organized the West India Co. to colonize Louisiana and develop mines there, while everything in France continued to move along at a furious rate. Law encouraged the Government to undertake all sorts of public work. It built asylums for the poor, bridges, canals, etc. The more money was required, the more the bank printed. Speculation was rife.

Finally unsound business principles began to have effect. The West India Co. failed, largely because there were no mines found in Louisiana. People became panicky. They rushed to sell their shares in the West India Co. and then in the Banque Royale. They wanted to turn their money into houses, land or coins—something that had a stable value.

The paper notes fell in purchasing power. The rise in prices brought distress to many of the population. The Government, which was responsible for the bank, was forced to limit the amount of notes it would redeem. The par value of the bank shares was ultimately cut in half. The same was done with the notes outstanding. These again were converted into Government debt at a further reduced value.

The result was that from the heights of a boom, France dropped to the depths of depression with many people being impoverished through John Law's inflation of the currency.

Set Standards For Model Code

Minimum engineering standards to ensure the safety and durability of a wide variety of buildings and other structures, are set forth in the engineering section (Part III) of the National Building Code. The 256-page section has just been issued through the National Research Council, Ottawa, and is being made available at $1.75 per copy for general distribution, $1 for colleges and universities.

Compilation of the National Building Code was undertaken three years ago to create a set of model, minimum regulations which could be used as a basis for municipal and other building laws. With the advent of war the work was slowed and disrupted, but it was decided to issue each section separately as quickly as it became available. The project is sponsored jointly by the National Research Council and the Department of Finance, in collaboration with various engineering, professional, industrial, trade and other groups.

Recognizes New Methods

The new engineering section deals in considerable detail with wood, masonry, reinforced concrete and steel construction. The committee concerned in its preparation sought to avoid, it is said, unnecessary restriction on use of either existing or new materials. The section seeks to recognize new materials developed by research, better methods of construction, and more accurate methods of design.

Some of the newer subjects considered include the use of fibre board, gypsum board, and plywood as sheathing in wood frame construction; the use of glass blocks in masonry construction; the use of welding in structural steel work. New and more economical methods for the design of steel beams are presented.

Weekly Bank Clearings

	Mar. 27 1941 $	Change year ago %	Mar. 20 1941 $
Halifax	3,213,590	+62.6	3,248,706
Saint John .	2,253,506	+35.5	2,141,497
Moncton ...	714,241	+24.3	737,295
Sherbrooke .	859,857	+21.0	670,255
Quebec	3,984,636	+27.7	4,600,978
Montreal ...	100,737,721	+63.1	112,452,901
Ottawa	55,241,536	+312.2	38,373,901
Kingston ...	582,565	+47.4	529,505
Peterborough	470,037	+18.5	565,974
Toronto	107,398,003	+59.6	113,106,588
Hamilton ...	6,070,557	+40.3	6,203,067
Kitchener ..	980,386	+29.8	1,099,390
Brantford ..	852,504	+30.1	835,709
London	2,086,624	+22.9	2,386,948
Chatham ...	540,992	—2.4	571,209
Windsor	3,464,146	+53.2	3,514,681
Sarnia	405,243	+29.2	410,210
Sudbury	1,150,081	+19.7	820,954
Fort William	694,085	+38.2	1,112,356
Winnipeg ...	32,021,542	+26.1	38,814,489
Brandon	271,575	+28.8	300,102
Regina	3,002,899	+38.9	3,864,412
Moose Jaw .	475,272	+47.0	571,676
Saskatoon ..	1,105,069	+29.3	1,213,540
Prince Albert	285,605	+25.7	372,518
Edmonton ..	3,912,781	+42.8	4,523,974
Calgary	5,235,181	+54.3	5,100,318
Lethbridge .	424,482	+11.2	453,210
Medicine Hat	271,290	+65.0	266,579
N. W'minster	812,619	+20.9	786,986
Vancouver ..	17,498,719	+45.4	16,785,044
Victoria	1,639,400	+41.6	1,789,062

VICE-PRESIDENT

Exide Batteries of Canada Ltd. announce that John E. Eells, general manager of the company, has just been elected a vice-president and that Douglas C. Brownell has just been elected assistant secretary and assistant treasurer.

Bank Chat

Two New Branches

Opening of two new branches of the Canadian chartered banks is reported in the Bank Directory for Canada and Newfoundland for March, just issued. One of the new branches was the Bank of Toronto at Aberdeen Ave. and Dundurn St., Hamilton, and the other the Dominion Bank, Queen's Quay, Toronto.

The total number of bank branches in Canada on Feb. 28 is reported at 3,305. This with 25 branches in Newfoundland and 110 elsewhere makes a grand total of 3,440 branches of the chartered banks.

• • •

Securities Protected

An instance of the fire protection afforded by a bank vault was given recently when the Imperial Bank building at the corner of Wellington St. and Leader Lane in Toronto was burned.

Two days after the fire, when the ruins had cooled sufficiently, the vault was opened and thousands of dollars in currency and securities were taken out unharmed.

The building itself was one of the business landmarks of Toronto. Erected in 1854 it was originally known as the Merchants Exchange and from that time till the fire last week the word "Exchange" appeared in the cornice on the Wellington St. side.

At one time it housed the Toronto Corn Exchange, the Toronto Board of Trade and the Toronto Stock Exchange, as well as some private companies. In 1875 it was bought by the Imperial Bank and remodelled for the bank's head office. It was occupied as such until the bank moved its head office to the present location at King and Bay Streets.

New Manager Named By Business Bureau

T. B. Weatherbee, president of the Better Business Bureau of Montreal, Inc., has announced the appointment by the directors of Claude Root to the management of the Bureau.

The new manager, who assumed his duties March 17, leaves the position of assistant sales manager and advertising manager of Lasalle Coke Co. He was previously connected for years with the Bradstreet Co.. He is a director of the Credit Bureau of Montreal Ltd., and is president of the Montreal Branch, Queen's University Alumni Association.

A Few New Facts Revealed By National Registration

Preliminary facts of Canada's National Registration placed on the record by Hon. James Gardiner include the following:

Of 8 millions who registered, approximately 1,800,000 belong to "specialized or reserved occupations." This latter group has been broken down into 1,250 occupational groups.

Half of those employed in these occupational groups (905,300) live in Ontario. Of the total, 444,496 persons are presently engaged in the industry for which they are best qualified; 170,856 were qualified in these occupations but not employed at that type of work; 289,948 stated that they had had experience in doing work in some activity essential to war.

Occupational and employment status of Ontario registration follows:

	Total 2,731,580	Males 1,355,240	Females 1,376,340
Employer	103,640	97,590	6,050
Own account ..	234,210	217,010	17,200
Wage-earner ..	1,153,680	845,760	307,920
Unemployed ..	105,030	73,010	32,020
Home maker ..	845,060	......	845,060
Retired	119,080	82,120	36,960
Student	63,960	27,630	36,330
Never worked .	100,400	8,300	92,100
Invalid	6,520	3,820	2,700

IN
MONTREAL

men of affairs naturally stop at the Windsor because of its reputation for dignified comfort and unobtrusive, courteous service, its convenient location—and because the Windsor is recognized as the proper place for business and social meetings.

THE
Windsor
ON DOMINION SQUARE
J. Alderic Raymond
President

W1

Drop Is Shown In Bank Debits

Present Decline Is Partly Due to Abnormal Rise a Year Ago

Payments by cheque in the 32 clearing house centres of Canada in February amounted to $2.5 billions, 14% lower than in 1940.

The drop was attributed to the heavy payments on the first war loan in the second month of last year, which swelled the volume of bank debits in 1940 abnormally. Compared with 1939 and 1938 the 1941 figures showed gains of 25% and 16% respectively.

All five economic areas in Canada contributed to the decline in Feb., 1941, from a year ago, the percentage declines being as follows: Maritimes, 20.7; Quebec, 24.6; Ontario, 7.5; Prairies, 12; British Columbia, 8.7.

Total bank debits for the first two months of 1941 amounting to $5.4 billions, were down 2.6% from last year.

Figures for the 32 clearing house centres for February and a year ago follow:

Debits to Individual Accounts
Millions of Dollars

	Feb. 1941	Jan. 1941	Feb. 1940
Maritimes			
Halifax	31.6	41.4	44.6
Moncton	10.4	11.5	10.0
Saint John	17.7	19.9	20.7
Total	59.7	72.8	75.3
Quebec			
Montreal	630.1	699.9	807.4
Quebec	76.8	72.3	133.1
Sherbrooke	7.5	8.0	7.3
Total	714.4	780.3	947.9
Ontario			
Brantford	10.3	12.2	10.2
Chatham	8.1	8.3	9.6
Fort William ..	6.5	6.6	6.1
Hamilton	73.9	80.8	65.3
Kingston	5.2	8.2	7.1
Kitchener	13.6	15.8	15.6
London	30.3	41.8	40.9
Ottawa	219.3	248.6	125.1
Peterborough ..	6.7	8.3	7.6
Sarnia	5.5	9.2	6.8
Sudbury	6.3	7.3	6.6
Toronto	778.2	960.5	975.6
Windsor	53.6	54.7	39.3
Total	1,217.8	1,462.6	1,315.9
Prairies			
Brandon	3.3	3.2	2.8
Calgary	57.4	72.9	61.3
Edmonton	41.6	51.5	40.5
Lethbridge	4.1	4.6	4.0
Medicine Hat ..	2.6	2.8	1.9
Moose Jaw	7.6	6.6	6.8
Prince Albert .	2.7	3.3	2.3
Regina	33.5	41.5	32.1
Saskatoon	9.7	11.4	9.5
Winnipeg	212.2	250.9	264.6
Total—Prairie Pr.	374.9	448.8	426.1
British Columbia			
New W'minster.	7.6	7.4	7.5
Vancouver	138.5	138.6	151.2
Victoria	287.2	30.4	31.2
Total	173.3	176.5	189.9
TOTAL FOR CAN.	2,540.2	2,941.1	2,955.2

Foreign Exchange

During the week Mar. 25 to Mar. 31 there was no change in the quotation to the United States dollar at Toronto and Montreal which was $1.10 for buying and $1.11 for selling. The sterling rate likewise was unchanged at $4.43 buying and $4.47 selling. The rate is published daily by the Foreign Exchange Control Board.

Other Currencies, Mar. 31

Australia ...	3.58	N. Zealand .	3.61
India	.3372	S. Africa ...	4.47
Japan	.2608	Hong Kong .	.2733

Security Holdings Show Decline

Bank of Canada Investments Drop as Government Deposits Fall

A drop of $7.5 millions in investments is shown in the report of the Bank of Canada for the week ended March 26. This, with a decline of $3.4 millions in miscellaneous assets, was responsible for bringing total assets down $9.5 millions below the previous week. This reduction appears due in the main to withdrawals of Dominion Government deposits, probably reflecting payments for war purposes. Deposits of the chartered banks were $4 millions higher and other deposits down $2 millions. Note circulation showed a small increase.

	Mar. 26 1941 $	Mar. 19 1941 $
Liabilities		
Capital paid-up ..	5,000,000	5,000,000
Notes in circ.	361,172,007	360,927,840
Rest fund	3,722,910	2,722,910
Depos.: Dominion.	8,421,048	20,678,109
Bank	218,941,128	214,702,071
Other	5,823,764	7,771,804
Total deposits	233,185,940	243,151,984
All other liabs. ...	3,969,934	3,790,765
Total liabs.	607,050,791	616,593,499
Assets		
In sterl. & U.S. ..	67,704,325	67,261,325
Subsid. coin	848,110	868,767
Investments:		
Dom. gov. short	414,041,889	420,082,601
Other Dom. gov.	114,128,467	114,601,082
Total invest.	527,170,356	534,683,683
Premises	1,711,692	1,708,069
All other assets ..	8,616,308	12,071,655
	607,050,791	616,593,499

Banking Service
1817 - 1941
BANK of NEW SOUTH WALES
Head Office: Sydney, Australia
General Manager: SIR ALFRED DAVIDSON, K.B.E.
Assets of £143 millions.
Over 870 branches in Australia, New Zealand & Pacific Islands.
London Offices at
29 Threadneedle St., E.C.2.
and at 47 Berkeley Square, W.1.
Agency arrangements with Banks throughout Canada.

Can. Foreign Investment Redeem Preferred

From Our Own Correspondent

MONTREAL.—Canadian Foreign Investment Corp. has received supplementary letters patent covering recent reduction in capital stock. At the same time the company reports 100 shares of the company's 8% cumulated preferred stock had been redeemed and cancelled, leaving 7,866 preferred shares outstanding.

BRANCH OFFICES
FROM COAST TO COAST
The
EXCELSIOR
INSURANCE LIFE COMPANY
A STRONG CANADIAN COMPANY

Money for Business

Imperial Bank of Canada welcomes applications for loans for business purposes. If you have a sound proposal, we will be glad to consider it and advance necessary assistance upon satisfactory terms. Our nearest local manager will be pleased to meet you and discuss details.

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IMPERIAL BANK
OF CANADA
Head Office: Toronto
BRANCHES THROUGHOUT CANADA

H.M.C.S.
They Rely on You

● For the things that are not given to a fighting man with his uniform : : : things that are not part of his military equipment : : : things of the spirit : : : Canada's fighting sons, wherever they may be, rely on you.

The Government provides them with uniforms, rifles, ammunition—but for comforts—recreations and wholesome opportunity to make their precious moments of leisure a genuine boon : : : they rely on you.

Of course you help to buy airplanes, guns, ships, tanks—BUT for the things that express to the soldier the affection and thoughtfulness of the folks back home : : : he relies on you.

Six great national organizations labour unceasingly to provide him with those things.

They can do it only with your money. Your money started this work—your money is needed to carry it on. The need is urgent. Be generous.

Let the volunteer helper who calls on you carry back your pledge of fullest support for our fighting men.

★Y.M.C.A.
★Y.W.C.A.
CANADIAN LEGION WAR SERVICES
K. OF C. CANADIAN ARMY HUTS
★SALVATION ARMY
★★I.O.D.E.

★Includes Home Service
★★For Western Provinces Only

THE BOYS RELY ON THE FOLKS BACK HOME
THE ONLY NATIONAL APPEAL THIS YEAR FOR OUR MEN IN UNIFORM

If you have not been canvassed—if you are not canvassed—send your contribution to your local committee or to: National Headquarters—200 Bay Street, Toronto, Canada

6C

SIX APPEALS IN ONE-Give!
CANADIAN WAR SERVICES FUND
Needs $5,500,000

Company Reports

Industrial Acceptance

Despite increase in business and maintenance of earnings, higher taxes, etc., reduced net profits of Industrial Acceptance Corp. for 1940 to $1.98 a share on the class A stock, against $3.18 a share the year before.

Volume of business last year was $34.4 millions and exceeded the previous year's total of $30 millions. Earned income was about the same at $1,778,877. After all charges, including taxes, but before dividends on the A stock, net profit amounted to $178,923 as against $278,086 in 1939.

Balance sheet as at the end of 1940 shows a number of changes. Secured loans increased during the year from $8,075,000 to $10,429,750. Acceptances and notes receivable pledged with the bank advanced from $9.9 millions to over $12.1 millions.

During the year the company purchased all the outstanding shares of Campbell Auto Finance Co. and increased its investment in Industrial Factors Corp. by $100,000. As a consequence, investments in subsidiary companies, including loans, increased from $225,000 to $741,188.

Income and Surplus Statement
Years Ended Dec. 30

	1940	1939
	$	$
Earned income	1,778,877	1,780,274
Less: General exps.	698,758	699,176
Prov. & mun. taxes	17,269	14,395
Exec. remun.	36,889	40,707
Legal fees	8,912	7,918
Directors fees	5,420	5,400
Insurance	78,751	99,033
Depreciation	30,164	31,943
Loan interest	425,363	463,102
Add: Divds. received	......	80,000
Net revenue	477,350	498,600
Less: Note interest	80,451	81,951
Income taxes	142,975	63,562
Preferred divds.	75,000	75,000
Stock divds.	157,967	174,452
Surplus	20,956	103,635
Previous surplus	827,280	723,645
Less: Add taxes 1939	10,785	......
Surplus forward	837,451	827,280

Can. Iron Foundries

Expansion in earnings is reported for Canada Iron Foundries Ltd. for 1940. There was a large increase in tonnage of grey iron castings sold, increased output from machine shops and greater receipts in dividends from subsidiary foundry companies.

The company furnished a considerable volume of rolling mill equipment and heavy machinery to government war supply bodies as well as to steel mills and other heavy industries engaged in war work, C. L. Jobb, president, states in the annual report.

Operating profit of $674,261 is shown by financial statement for the year, compared with $399,694 in 1939. After other income of $313,910 and $125,867, total income was $988,171 in 1940 and $525,561 in the preceding year.

Provision for taxation was increased to $332,000 from $61,000, leaving net profit of $518,417, compared with $367,093. This was equal to $17.87 a share on the common stock, against $8.40 in the previous year.

Net working capital increased by $119,306 to $1.5 million.

The company has declared a dividend of $4.50 a share on the common stock, payable April 15 to shareholders of record March 31. This covers last half of 1940 and compares with previous payment of $1.50 a share for the first half of that year.

Income and Surplus Account
Years Ended Dec. 31

	1940	1939
	$	$
Operating profit	674,261	399,694
Less: Exec. remun.	73,125	48,300
Bad debt prov.	5,000	5,000
Legal fees	590	636
Add: Subsid. divds.	302,700	115,270
Secs. interest	11,210	10,597
	909,456	471,625
Less: Depreciation	59,039	40,601
Inc. & profits tax	332,000	61,000
Plant maint.	......	2,931
Net profit	518,417	367,093
Less: Pref. divds.	232,668	232,668
Common divds.	95,934	47,967
Surplus for year	189,815	86,458
Add: Prev. surplus	1,106,871	1,020,413
Less: Secs. sale loss	1,741	......
Surplus forward	1,294,945	1,106,871
Working Capital		
	$	$
Current assets	2,387,685	1,794,241
Current liabilities	932,952	458,813
Working capital	1,454,733	1,335,428
Balance Sheet Changes		
	$	$
Receivables (net)	963,155	402,341
Inventories	908,238	863,184
Fixed assets (net)	3,221,935	3,093,562
Accts. pay., etc.	389,847	371,326

Metropolitan Stores

Metropolitan Stores Ltd. reports consolidated sales for the year ended Jan. 31, 1941, of $10,294,922. This contrasts with $8,709,070 the year before. Operating profit was substantially higher, but an increase of over $300,000 in taxes left net income for the year at $499,795 compared with $479,090 in the year ended Jan. 31, 1940.

The consolidated balance sheet as at Jan. 31 last shows an improvement of nearly $200,000 in net working capital position. Bonded debt was reduced by $300,000 to $3.4 millions. Inventories were increased by nearly $200,000 to over $1.4 million. Cash and government bonds also show an improvement.

Comparative figures on the income and surplus account follow:

Income and Surplus Account
Years Ended Jan. 31

	1941	1940
	$	$
Sales	10,294,922	8,709,070
Less: Cost of goods	6,951,233	5,907,828
General expenses	1,815,204	1,567,268
Depreciation	248,762	246,072
General taxes	212,680	218,882
Operating profit	1,067,043	749,018
Add: Other income	90,021	112,930
Total revenue	1,157,064	861,948
Less: Interest charges	204,170	244,962
Income taxes	453,098	137,895
Net profit	499,796	479,091
Working Capital		
Current assets	2,798,005	2,264,842
Current liabilities	1,131,330	799,849
Working capital	1,666,675	1,464,992

United Amusement

Income of United Amusement Corp. totalled $673,093 in 1940, compared with $617,791 in 1939. Net profit totalled $93,788, compared with $94,640, after increased taxation and a $26,855 provision for depreciation.

Earnings on the combined Class A and B stock totalled $1.16, against $1.17 in 1939.

Net working capital rose to $285,705 from $215,089 in 1939.

Income and Surplus Account
Years Ended Dec. 31

	1940	1939
	$	$
Theatre oper. prof.	465,165	414,967
Property revenue	111,007	126,641
Other income	96,880	76,149
Bond red. prof.	41	34
Total income	673,093	617,791
Less: Amuse. tax	145,375	133,093
Taxes & licenses	95,450	98,831
Income taxes	43,694	20,307
Admin. & gen. exp.	101,311	102,060
Depreciation	114,910	88,055
Bond & other int.	71,926	74,166
Bond expense	6,639	6,639
Net profit	93,788	94,640
Less: Com. divds.	64,663	60,621
Surplus for year	29,125	34,019
Add: Prev. surplus	244,394	241,342
Prior adjusts.	5,833	......
Less: Franchise w/o	......	14,534
Land sale loss	......	16,433
Surplus forward	279,352	244,394
Working Capital		
	$	$
Current assets	401,265	305,793
Current liabilities	115,560	90,704
Working capital	285,705	215,089

Lower St. Lawrence

Lower St. Lawrence Power Co. reports total income of $366,548 in 1940, against $349,423 in 1939. Net profit totalled $21,301, compared with $51,645.

Net working capital declined to $34,778 from $88,362 in the preceding year. There was $17,000 funded debt retired during the year, reducing total outstanding funded debt at the end of 1940 to $1.4 million.

Income and Surplus Account
Years Ended Dec. 31

	1940	1939
	$	$
Power sales	337,450	315,665
Misc. revenue	29,098	33,758
Total income	366,548	349,423
Less: Oper. exps.	154,589	138,486
Taxes	15,433	13,193
Misc. interest	1,149	666
Net oper. profit	195,377	197,078
Less: Depreciation	86,000	63,259
Debt interest	70,576	71,600
Income tax	17,500	10,574
Net profit	21,301	51,645
Less: Pref. divds.	8,000	......
Surplus for year	13,301	51,645
Add: Prev. surplus	107,285	55,245
Disct. bonds red.	308	395
Surplus forward	120,894	107,285
Working Capital		
	$	$
Current assets	122,500	136,510
Current liabilities	87,722	48,148
Working capital	34,778	88,362

Mercury Mills

Increase of 35% in sales of Mercury Mills Ltd., Hamilton, is reported for 1940, with 15% of total sales attributed to war contracts according to R. H. Hommel, president. Plant and equipment have been well maintained, Mr. Hommel states, modern equipment to the value of $225,000 having been purchased during the year. Redemption of $30,000 of the company's 5% serial bonds was effected Feb. 1, 1941, leaving funded debt at $120,000 in serials, $801,000 in 5% term issue due Nov. 1, 1959.

Increase of over $150,000 was shown in working capital, inventories having advanced more than $418,000 and investment in Dominion of Canada bonds of $99,500 appearing for the first time. Despite a rise of some $267,000 in bank loan and $72,000 in tax reserve, the increase in current liabilities did not keep pace with the rise in current assets.

Consol. Income and Surplus Account
Years Ended Dec. 31

	1940	1939
	$	$
Net earnings	419,144	287,848
Less: Fees, salaries	31,924	23,700
Depreciation	157,313	86,317
Bond interest	46,478	67,862
Contingencies	18,000	46,558
Income taxes	104,000	27,956
Net profit	61,429	35,455
Add: Prev. surplus	152,955	*530,712
Tsf. fr. cap. surp.	......	648,212
Surplus forward	214,384	152,955
*Deficit.		
Earned per Com. Sh.	$0.77	$0.45
No dividends paid.		
Working Capital		
	1940	1939
	$	$
Current assets	1,515,319	963,239
Current liabilities	741,732	341,337
Working capital	773,587	621,902
Other Balance Sheet Changes		
	1940	1939
	$	$
Cash	44,864	64,357
Dominion bonds	99,500	......
Accounts rec.	196,696	127,401
Inventories	1,162,464	744,279
Secured bank loan	326,750	60,000
Accounts pay.	227,801	180,385
Tax reserve	100,500	28,350

Anglo-Can. Telephone

Anglo-Canadian Telephone Co. reports net income in 1940 of $635,453. This compares with $615,771 in 1939, before transfer of $50,000 to contingency reserve for 1940 and $25,000 for 1939. Earnings were equal to $7.69 on the 5½% preferred, $50 par value, and 83 cents a share on the Class A stock.

The balance sheet as at the end of 1940 shows net working capital of $688,262, as against $520,728 a year ago. Investments in long term account, less reserves, are shown at $11,187,951, or about $52,000 less than a year ago.

Comparative figures in income and surplus account follow:

Income and Surplus Account
Year Ended Dec. 31

	1940	1939
Income	$723,412	$691,627
Less:		
Admin. expense	65,956	64,032
Taxes, incl. Dom. & Prov. taxes	22,003	11,824
Approp. for conting.	50,000	25,000
Net profit	585,453	590,771
Less:		
Preferred divd.	227,150	210,430
Class A divd.	292,260	292,260
Surp. for year	66,043	88,081
Add: Prev. surp.	678,595	590,514
Surplus forward	744,638	678,595
Working Capital		
Current assets	752,773	589,172
Current liabilities	64,511	68,444
Working capital	688,262	520,728

APPOINTMENT

The Winnipeg Tribune announces appointment of Arthur H. Allardyce as advertising director, succeeding I. H. Macdonald, who left recently to become manager of the Bureau of Advertising of the Canadian Daily Newspapers Association. In January, 1939, Mr. Allardyce became manager of the Montreal advertising office of the Southam Newspapers.

Canadian Dredge

A Government economy move in the spring of 1940, involving suspension of most of the contracts held by Canadian Dredge & Dock Co., resulted in the company reporting a loss of $12,511 for 1940. This compares with a net profit for 1939, equivalent to $1.53 a share on the common. No dividends were paid last year.

F. W. Grant, president, states stoppage on contracts halted normal revenue from operations, but that expenses incurred to undertake these works had to be met. These expenses, amounting to $80,533, are in process of adjustment. If recovered in full, loss on the year's operations will be limited to $17,656 without considering any normal profit that might have been realized. Depreciation at $45,000 for 1940 is about half the normal amount.

Balance sheet as at Dec. 31 last shows work in process at cost of $68,077 compared with $38,795. Retentions on contracts are $31,028 against $86,164. Call loans have been reduced to $100,000 from $300,000 and Dominion bonds are higher with a market value of $479,482 compared with $299,549 a year earlier. A secured bank loan of $100,000 appears where no borrowings were shown at the end of 1939.

Cons. Income and Surplus Account
Years Ended Dec. 31

	1940	1939
	$	$
Operating profit	35,057	283,400
Add: Bond rev.	14,293	10,853
Bank & loan int.	3,839	6,378
Miscellaneous	2,500	2,618
Net earnings	55,689	303,249
Less: Deprec.	45,000	90,000
Dirs.' & officers sals.	22,200	22,200
Directors' fees	1,000	5,000
Income tax	......	40,966
Net profit	*12,511	145,083
Less: Divds.	......	142,162
Surplus for year	*12,511	2,921
Add: Prev. surp.	799,753	815,943
Less: Tax adjust.	5,145	2,613
Addit. deprec.	......	16,498
Surp. forward	782,097	799,753
*Loss or deficit.		
Working Capital		
	$	$
Current assets	836,243	829,819
Current liabilities	112,891	39,000
Working capital	723,352	790,819

DIRECTOR RESIGNS

From Our Own Correspondent

MONTREAL.—Directors of Foundation Co. of Canada Ltd. were reelected at the annual meeting of shareholders, with the exception of L. F. Giblin, New York, who has resigned because of the pressure of war work.

Your Investments

What We Do:

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3. Reply by telephone or telegraph.
4. Select list of securities; express opinions; or make forecasts.

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Ottawa Electric

What is the condition of the Ottawa Electric Railway Co.? What chance is there of appreciation in its shares?

There is little speculative interest in the capital stock of Ottawa Electric Railway Co. Earnings have been fairly consistent for several years past and since 1934 there has been a regular distribution on the common stock. Currently, operations are on a much better basis. Due to war conditions it is difficult to make forecasts, but it is the considered opinion of the directors that, if existing circumstances continue, the upward trend in income will continue.

Canadian Breweries

What has been history of earnings available for Canadian Breweries common? Is a dividend likely in the near future?

Commencement of dividend payments on the common share of Canadian Breweries Ltd. does not appear in immediate prospect. In only two of the last seven years has the company had any balance of earnings available after providing for the full $3 a share annual dividend on the preferred. Last year the company had a balance of 5 cents a share available for the common and in the preceeding year 4 cents. E. P. Taylor, president, states profits for the current year are expected to be higher than last. It should be remembered that there are arrears of $6.75 a share on the preferred which would have to be eliminated before any payment could be made on the common.

Shawinigan

Would you kindly summarize for me the position of Shawinigan Water & Power 4½% bonds, due 1970?

In 1940 operating revenue of Shawinigan Water & Power Co. was up substantially. All interest was earned 2.3 times before depreciation, compared with 2.17 times in 1939. After depreciation interest was earned 1.83 times, against 1.7 times. Interest charges included exchange on U. S. funds.

The company's securities are well regarded and high level of operations is assured while industry is stimulated by war production.

Commercial Alcohols

Please let me have a brief report on the current position of Commercial Alcohols.

Commercial Alcohols Ltd. manufactures pure and denatured alcohol and magnesia insulating materials. Sales in the first half of the current fiscal year were somewhat higher than in the corresponding period of 1940. There was abnormal activity in the first half of the last fiscal year due to the outbreak of war. Net profit in the year ended March 31, 1940, amounted to $97,430, compared with $73,092 in 1939. Output of magnesia products is currently running at capacity. Alcohol operations are well maintained and broadening of the market is anticipated through increased production of munitions. While the year ended March 31 may be more satisfactory from a sales standpoint, it is probable that higher provision for taxation will hold down profits available for shareholders.

Provincial Transport

I would like information regarding the outlook for Provincial Transport Co.

Operating revenue of Provincial Transport Co. in 1940 increased to $2.1 millions, from $1.6 million in 1939. Higher operating expenses and provision for "excess" profits taxes, however, contracted net profit to $140,322 from $155,534. Working capital increased to $258,395 from $179,871. The company expects that the volume of business in 1940 will be maintained in the current year. It is implied that if much greater volume develops the company may require additional facilities. If experience in the current year is comparable with that of the previous year, it would appear that the company would be able to maintain its common stock disbursements of 40 cents a share.

Bell Telephone

What is the current outlook for the capital stock of Bell Telephone Co. of Canada?

In 1940 Bell Telephone Co. of Canada showed earnings on the common stock of $8.15 a share, against $8.05 in 1939. Telephone services are continuing to expand, and in the current year will probably reach an all-time high. It is expected outlay for construction of new plants will exceed that of the past several years. Spare facilities that became available during the depression years have now been almost entirely used up. Taxation in 1940 was 75% higher than in 1939.

Ottawa Aids Marketing Nova Scotia Apples

From Our Own Correspondent

MONTREAL.—Arrangements have been concluded between the Federal Government and the Nova Scotia Apple Marketing Board Ltd. under which the former will assist in marketing a maximum of 1.5 million barrels of apples grown in Nova Scotia during the 1941-42 marketing year.

Estimated cost to the Dominion will be $2 millions. The programme is a continuation of the arrangement in effect during the past two years, under authority of the War Measures Act.

WISDOM IN A FEW WORDS

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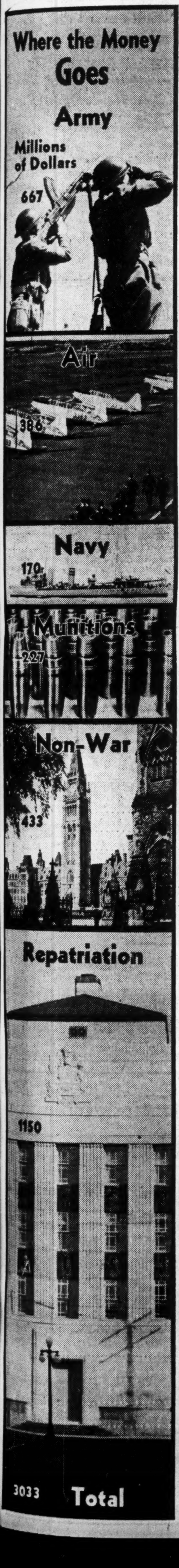
How We Raise And Spend $3 Billions on War

In New Fiscal Year, Canada to Spend More For Victory Than During All First Great War



By GUY S. CUNLIFFE
Staff Writer, The Financial Post

In its national war effort in the coming year, Canada will lunge more strongly in the traces of destiny than the whole of the last war period.

The epic proportion of these "total war" plans has been summed up by the declaration of Prime Minister Mackenzie King:

> "Never in the history of war have 11 million people given so freely and pledged so fully their treasure, their resources and their manhood."

By the yardstick of cost, Canada will stretch her war sinews more over the single year ahead than through all of the last war and its aftermath.

The direct war budget for 1941-42 ($1,450 millions) alone will exceed by $220 millions the total Great War outlay from 1914 up to early 1919, for war costs and early demobilization.

The grand total of $2.6 billions for Canada's war budget, plus financial aid to Britain, will be nearly $1 billion more than the gross cost of the last war, for the 1914-18 war effort and the two following years of demobilization and adjustment.

Drafting of Resources

Such a tremendous diversion of financial and other resources from normal channels into the penstocks of war cannot help but work important changes in the daily life of virtually all Canadians.

In the normal years before the war Canadians had to kick back 25 to 30 cents of every dollar of their national earnings to pay for running the country. That was the ratio of national income tagged for all government spending—national, provincial and local.

In those days that seemed a pretty stiff bill for keeping the public business going. But at least it left 70 to 75 cents for civilian spending.

For the coming year the earners of the nation's income dollar will have only 40 cents to jingle in their collective pants pockets. In short they will get little more than half the net return of pre-war days, after forking out to fill the public coffers and the nation's war chest.

Chiefly because of the war-swollen size of the national income, the regular functions of government in all three spheres will take a much smaller proportion—about 17 cents of the dollar.

But the gigantic push of Canada's war plans for the coming year will need 43 cents out of every 100 of national earnings, if the nation is to meet the full demands upon its natural resources, productive labor and fiscal strength.

This means that despite the soaring estimate of national income, despite the smaller ratio for regular government needs, our gross outlay for war will hoist the lien of all public treasuries on the national income dollar to a total of 60 cents.

Impact on Economy

To some extent this oversimplifies the tremendous impact on the national economy of Canada's share in the battle to blast the power of the Axis. Strictly speaking, only part—though a major part—of the national earnings will have to be sliced off to meet the cost of war and domestic administration. Much of it will be met by borrowing which will tap the accumulated savings of the nation, as well as current savings or surplus income.

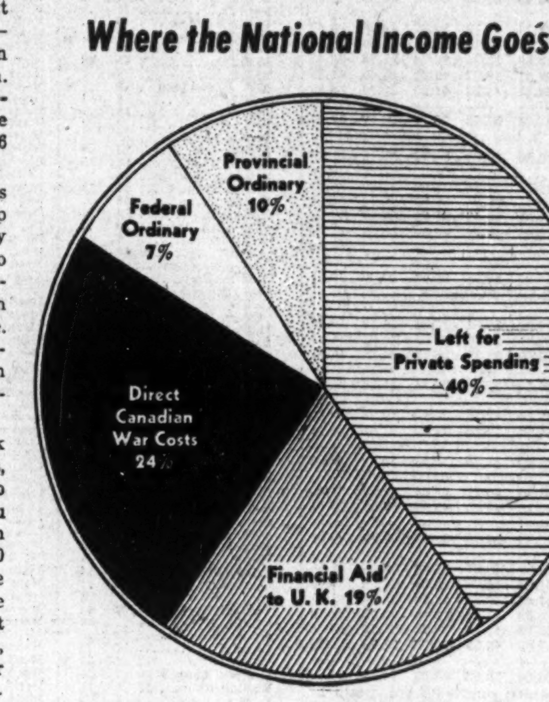
But qualified or not, the figures give a clear comparative picture of the colossal exertion that the collective resources of this country will be called upon to make this coming year. It brings home the staggering extent to which the national capacity of raw materials, production and finance is to be stepped up and diverted to give might to the battle lines of Empire.

Certainly such simple figures are more readily grasped than the stupendous grand totals of public spending that have recently been presented by the nation's managers at Ottawa. The people have been told that the gross of national spending—direct and indirect war costs and regular needs—will soar over $3 billions in the fiscal year to next March. With provincial and local government costs added on, the grand total mounts to $3.6 billions.

Such sky-reaching figures are almost beyond the grasp of the average mind. They look huge, but it is hard to translate them into comprehensible terms on a par with the ordinary man's daily life. To most people, a billion dollars is just the figure 1 with nine noughts after it stretching across a sheet of paper.

Did you ever stop to think what a billion dollars means, how long it would take you to spend it individually if you had it? Even if you lived high at a lavish rate of, say, $1,000 a day, you would have to have started 800 years before the birth of Christ and spent steadily—day in and day out, year after year, century after century—to have got it all disposed of by now.

Where the National Income Goes



To keep pace with Ottawa's forecast outlay of three times a billion dollars in the next 12 months, you would have to get rid of $10 millions every working day in the year.

To put it another way, the tax on the national resources of the gross national budget alone will match a regular contribution of $15 a week by every working citizen in the Dominion.

Should these same active citizens have to get along, hypothetically, on what will be left of the national income after costs of all governments have been met, their wants would have to be modest indeed. Each one's cut of the residue would not be much over $11 a week.

How Much Inflation?

How much this will be exceeded by the actual average of national earnings left for private spending will depend on how far the national savings can be further mobilized to meet the national emergency. And perhaps on the extent to which these savings have to be or can be bolstered by borrowings in the United States, by a measure of inflationary credit expansion in Canada; or a combination of both.

In the aggregate, the civilian "pocket money" left from the national income after lopping off cost of war and governments is shown by official estimates at $2.3 billions. In the normal years just before the war the comparable residue ran around $3 billions. From various estimates and methods of figuring, it averaged as high as $3.2 billions and no lower than $2.8 billions. Even last year, the first full year of war, there was left "free and clear" an amount that can be variously estimated at between $2.4 and $2.9 billions—say a middle figure of $2.6 billions.

Thus the sacrifices and vaster efforts of the intensified war job Canada plans to do in the coming year will force private spenders to pull in their belts by an extra $700 millions. This is the average gap between the net residue from 1941 national earnings and what was left over in the several years before the war. And this is after allowing for the tremendous jump in the national income this year to $5.9 billions, the estimate recently made public by Prime Minister King himself.

Matching this net restriction of $700 millions in civilian spending power is what looms as the most acute problem facing the Government and the national economy in the coming year. This is an apparent potential deficiency, also of about $700 millions, in what domestic sources of funds are expected to yield to meet the Dominion's gross outlay.

Taxes and other current revenues of the Government are officially estimated to be now yielding at the rate of $900 millions for a full year. They are likely to be jacked up in the new budget to produce up to $1.2 billion in the 1941-42 fiscal year. A prebudget sample came this week with the extra cent-a-pound levy on sugar, estimated to yield an extra $11-12 millions. Increased income, excise, defense and other taxes are expected to mobilize still more of Canadians' money resources for war.

This direct, current revenue of the Government will be supplemented by public borrowings which promise to total, by meagre and tentative indications available to date, in the neighborhood of $1 billion. The bulk of this will be raised by the war loan campaigns planned for the coming year, with additional amounts likely to come from short term borrowings.

Supplementing the main borrowing of the Government will be the revenue from War Savings Certificates, which from present monthly volume should average up at $150 millions for the full year. They are not quite in the same category as regular borrowings, as by and large they are drawn from the regular income rather than the savings of citizens.

These three main sources of funds—direct revenues, public borrowings and war savings — add up to $2,350 millions. Where the Government expects to get the additional $683 millions to cover its gross outlay of $3,033 millions has yet to be clarified officially.

Closing the Gap

There are various alternatives by which the threatened gap between gross income and outgo might be closed. It might be partly narrowed if present estimates of total outlay proved too high, but it is equally possible that these estimates will be pushed up still farther by emergency demands of war. Public borrowings in Canada might be extended, though it is doubtful if this could be stretched to absorb more than part of the looming deficit.

It is conceivable that direct revenues could be edged up beyond the expected gross of $1.2 billion. But not much beyond, and any increase is regarded as improbable in the present outlook.

There is a limit to getting more out of present taxes because of accelerated national activity, and to what can be expected from new taxes effective for only part of the year.

Similarly, any return from war savings certificates much higher than the estimated $150 millions annually, now appears unlikely. Any expansion of credit needs to be moderate and skilful to avoid disrupting price controls and bringing on inflation.

The remaining alternative may appear remote under present conditions, but it is already beginning to loom on the horizon of official discussion. That is lifting of U. S. legislative bars to Canadian borrowing in that country, should it become necessary and politically feasible. Coupled with reports that this is already in the wind is expectation that in any event a new exchange agreement will ease the wartime fiscal strain of this country's U. S. obligations.

The war-made jump in Canada's adverse balance of payments with the U. S., and the accompanying bar to converting sterling into U. S. dollars, are major factors in building up the immense total of Canada's gross war financing in 1941-42. For the $1,450 millions of direct war spending planned is rivalled by the $1,150 millions of expected deficit in British balance of payments. And Canada will have to carry the bulk, possibly all of the deficit; will have to dig up somehow, somewhere, the financial resources to put the deficit "on the cuff" or aid Britain to square accounts.

With her war spending in Canada piled on top of continued regular trade, Britain's adverse balance with Canada — always substantial — has soared since war began and is still rising. The sterling balances accruing from this are held in Canada to help Britain, instead of being converted as usual into U. S. dollars to write off Canada's own adverse balance with the States.

The Dominion has thus been largely financing Britain's war costs here plus regular exports to the U. K., less the write-off for Britain's exports to Canada. So far in the war Britain has met the bulk of the net deficit, paid off the adverse balances in Canada, by either gold shipments or turning back British-held Canadian securities under the repatriation scheme. The remainder (about a fifth of the total) has been carried on Canada's books as accumulated sterling balances, and that much of Britain's war costs thus put on the cuff indefinitely.

Financing Britain

From the start of the war to the end of February this year, the adjustments have been as follows:

	Millns. of $	%
Repatriation	331.6	45
Gold transfers	250.6	34
Sterling balances	154.8	21
	737.0	

In effect, Canadian people have thus contributed to Great Britain's war effort materials, labor and services to the net amount of $737 millions. All of it has been, at least temporarily, on a credit basis with no question as to the "when" or "how" of payment. Then, through their Government, Canadians have provided Canadian dollars to meet around 66% of the bill, by enabling Britain to "charge it" or pay off with bonds or stock.

This is particularly true in regard to the dollars paid to buy back Canadian securities from Britain and in the accumulation of sterling balances in Canada. Both are a long-term asset and advantage, in the reduction of debt and the ultimate claim on British resources inherent in the sterling balances. But in terms of immediate necessity it means a heavy increase in the war demands on the national treasury, on the financial and economic resources of the country as a whole. It means a reduction in the net national income available for use by private individuals and enterprise.

Even in regard to the gold shipments it is now being officially stressed, there is no net reduction in the strain of war on national effort and resources, no stepping down of the burden of war financing, no addition to net national income. For the gold that Britain has made available to Canada on account of her deficit, Prime Minister King has stated, has been for the sole purpose of aiding Canada to make necessary war purchases in the U. S.

Such gold or its equivalent in U. S. exchange, said the Prime Minister, helps to meet Canada's exchange deficit with the United States, "but it does not decrease by one dollar the net amount which must be raised from the Canadian people in taxes and loans."

On this basis the entire amount of the British deficit may be regarded as a definite, major phase of the gross burden of national war financing. And the raw materials, productive labor, and processed goods represented by the deficit, thus rate as much a part of the war contribution of national resources as the war effort reflected in Canada's direct war spending.

In the next 12 months Mr. King has estimated, Canada will send Britain war supplies, raw materials, agricultural products and other goods to the value of $1.5 billion, over and above our own direct war effort. The trade and other adjustments in U. K.-Canada accounts will leave a deficit of $1,150 millions in the fiscal year just started, Mr. King forecast.

How much of this deficit will be offset by gold payments was left uncertain by Mr. King, but he intimated it would be of small proportions and hinted it might be little or nothing. He "hoped" that Britain could continue to meet part of the deficit with "some gold or United States dollars," but stated plainly that no gold had been received from the United Kingdom since early December.

Gold Payments Drop

Should the next year's deficit be met by gold, repatriation and accumulation of sterling balances in the same proportions as applied to the deficit up to February, the $1,150 millions would be met as follows: Repatriation, $517.5 millions; sterling balances, $241.5 millions; and gold $391 millions (34%). But in the six months ended with February, gold shipments amounted to only $65 millions—18% instead of 34% of the deficit in that period, $359 millions.

If this lower ratio prevails, gold shipments in the coming year will amount to only $207 millions; they might be not more than $100-150 millions. This would leave from $940 millions to $1 billion to be met by repatriation and sterling balances. Recent reports have indicated that repatriation this year will likely run substantially over the $400 millions estimated not long ago by Finance Minister Ilsley. But certain practical obstacles might limit the programme, leaving much larger sums in sterling balances to be carried and financed by Canada.

The addition of $1,150 millions to bolster British war finances swells Canada's planned outlay for direct war effort ($1,450 millions) to a grand total of $2.6 billions. This is 43% of Canada's estimated national income this year. An equivalent outlay on war and aid to Britain by the United States, with an expected national income this year of $80 billions, would amount to $34.4 billions. The $7 billions aid to Britain through the Lease-Lend Bill would be stepped up to $15 billions.

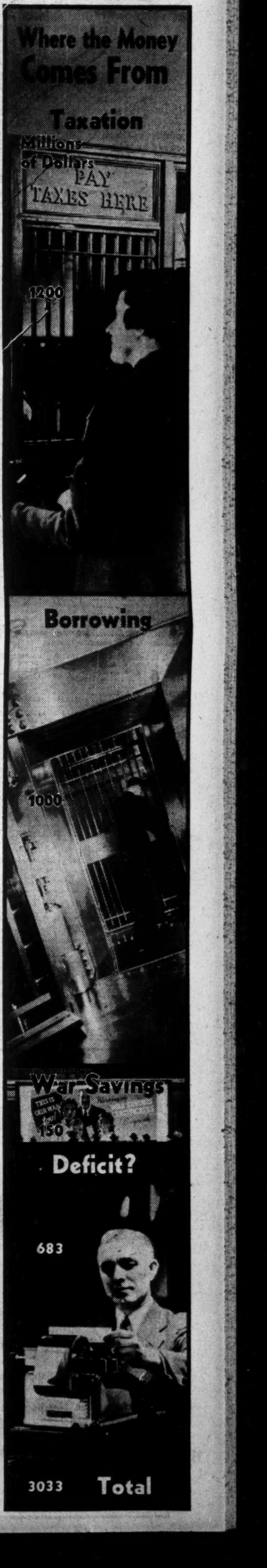
Compared With U. S.

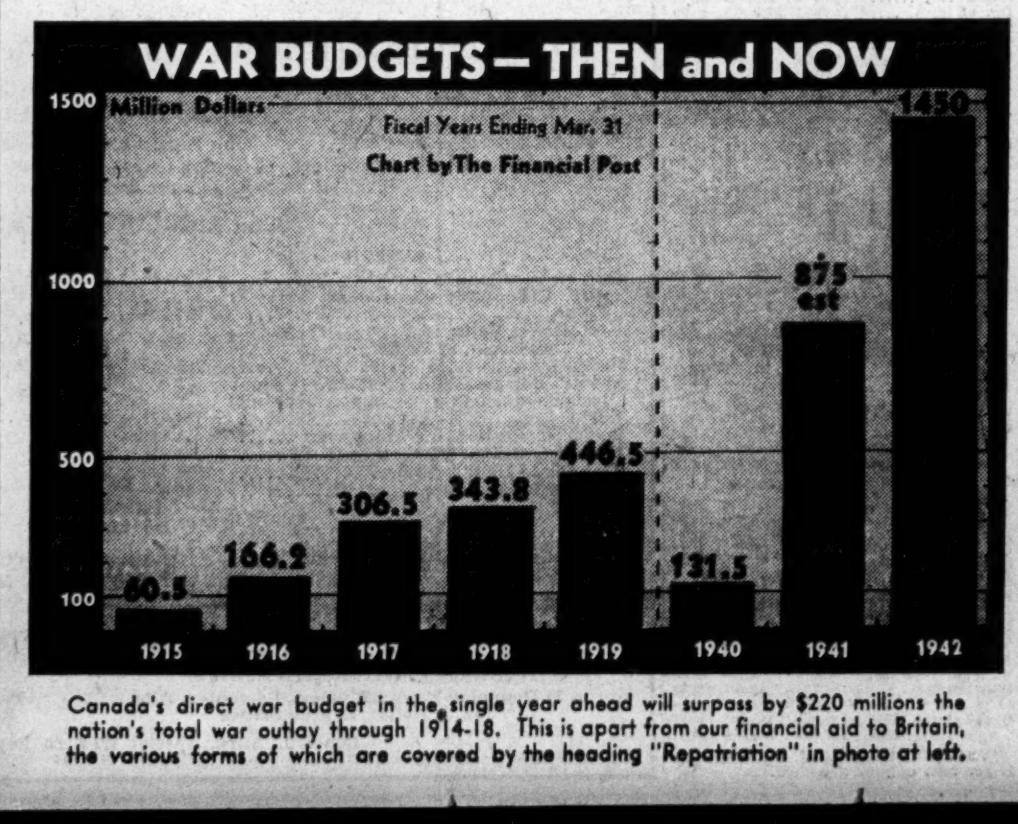
Even in a straight rule of thumb comparison on the basis of population, Canada's war spending looms large in proportion to the size of this country—11 times smaller than the United States. The Dominion's direct war budget in the coming year is equivalent to an expenditure of at least $16 billions by the U. S. Canada's financial assistance to Britain, if matched by the U. S., would involve a total commitment of over $12.5 billions.

Between them the two items on the comparable U. S. basis would total close to $30 billions, and this in addition to regular expenditures by all domestic governments of $11 billions.

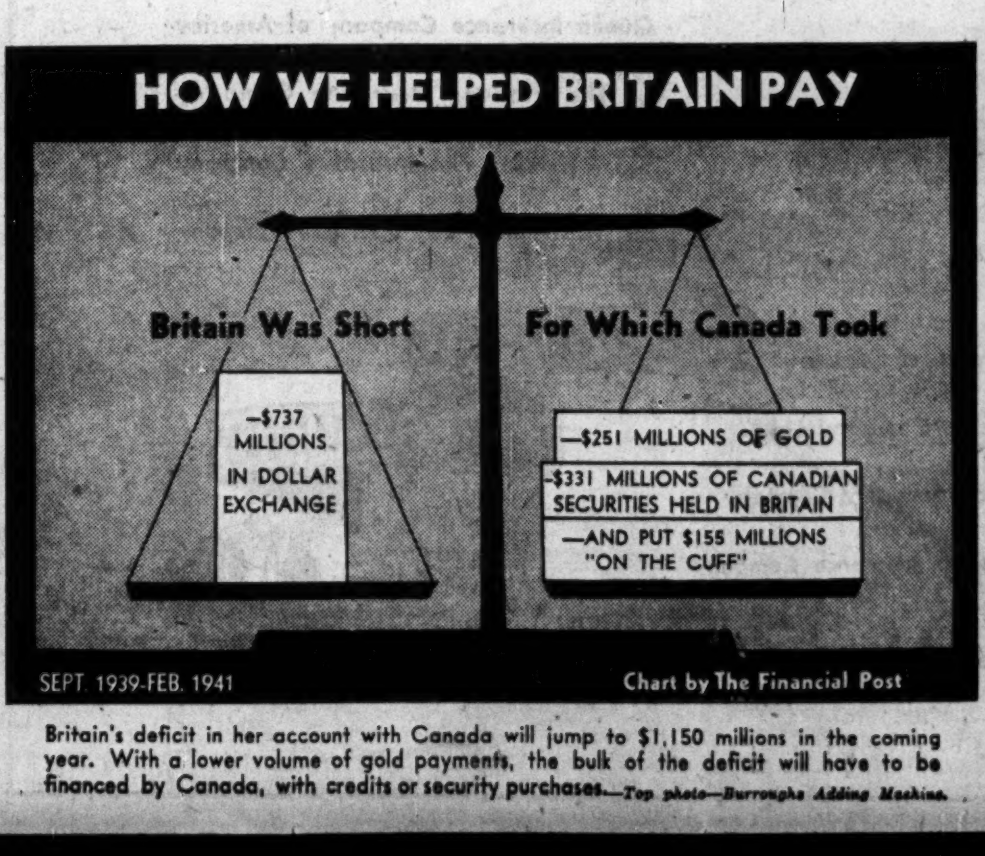
This gives a direct comparative index of the thrust of Canada's war effort, including the nation's direct contribution of fighting men, equipment and munitions and the indirect aid to Britain's all-out battle. But basically the colossal dollar totals are but a symbol and reflection of the men, materials, foodstuffs, the products of factories and

(Continued on page 18)





Canada's direct war budget in the single year ahead will surpass by $220 millions the nation's total war outlay through 1914-18. This is apart from our financial aid to Britain, the various forms of which are covered by the heading "Repatriation" in photo at left.


HOW WE HELPED BRITAIN PAY
Britain Was Short
—$737 MILLIONS IN DOLLAR EXCHANGE
For Which Canada Took
—$251 MILLIONS OF GOLD
—$331 MILLIONS OF CANADIAN SECURITIES HELD IN BRITAIN
—AND PUT $155 MILLIONS "ON THE CUFF"
SEPT. 1939-FEB. 1941
Chart by The Financial Post

Britain's deficit in her account with Canada will jump to $1,150 millions in the coming year. With a lower volume of gold payments, the bulk of the deficit will have to be financed by Canada, with credits or security purchases.—*Top photo—Burroughs Adding Machine.*

Fire Insurance Company and Group Experience

Premium Income Higher With Loss Ratio Down — Some Restrictive Factors Operate

Fire insurance experience in Canada in 1940 was slightly better than in 1939 according to preliminary figures of Dominion and Provincial licensed companies supplied by G. D. Finlayson, Superintendent of Insurance for the Dominion, and Hartley D. McNairn, Superintendent of Insurance for Ontario.

As the figures issued from Ottawa, this year as last, include only losses incurred exclusive of adjustment expenses, the loss ratio has been computed by The Financial Post on that basis. In previous years the officially computed loss ratio published in The Post was the percentage of losses incurred, including adjustment expenses to premiums earned. Accordingly, the fire loss ratios given on this and following pages are comparable for 1940 and 1939 but not strictly comparable with those of previous years.

Both premiums written and premiums earned in 1940 were slightly above 1939 but losses were slightly lower which accounts for the decline in the loss ratio.

Restrictive Factors.

The larger volume of premiums is due to the greater activity in business caused by the war and the higher prices of materials and buildings. Two factors, however, have worked to keep premiums from showing the increase they otherwise would have done.

One is the fact that many of the new buildings erected for war purposes as well as materials used in making munitions, etc., are owned by the government and not insured.

The other is the general reduction in fire insurance rates across the country.

Term Limit Lifted

During 1940, in some provinces, legislation was effected permitting stock companies to write mercantile risks on an unlimited term instead of one year as previously. This will probably see a large increase in written premiums during 1941, as it is probable that considerable mercantile business will be written on a three-year term instead of one year as formerly.

Wawanesa Mutual Insurance Co. again showed the largest volume of written premiums for any single company. Its written premiums amounted to $1.3 million compared with $1.2 million for the Home Insurance and $1.1 million for the Royal. Wawanesa's loss ratio at 39% was slightly above the 37.15%, officially computed figure for all Dominion licensed companies. Non-marine Underwriters at Lloyds had the greatest premium income for any single organization, written fire premiums amounting to $1.5 millions.

The Royal Insurance group maintained its lead among the tariff groups with Commercial Union, and London and Lancashire coming second and third as last year.

FIRE INSURANCE EXPERIENCE IN CANADA, 1940
ANALYZED BY GROUPS AND INDIVIDUAL COMPANIES
(Official Dominion and Ontario Government Figures—Ranked in Order of Net Premiums Written)

Board Companies

(A)—Group Experience:	Net Prems. Written $	Net Prems. Earned $	Net Losses Incurred $	Ratio of losses incurred to prems. earn. 1940 %	1939 %	Ratio of losses incurred incl. adjust. expenses as % of prems. earned 1938 %	1937 %	1936 %
1—Royal Group:								
Pioneer Insurance	71,277	74,935	22,953	30.63	31.12	41.18	34.59	34.17
Queen Ins. of America	379,651	392,715	120,148	30.59	31.03	41.12	34.53	34.11
Royal Insurance	1,139,680	1,190,026	343,863	28.90	31.69	47.12	38.04	32.86
Hudson Bay	126,714	133,217	40,806	30.63	31.12	41.46	34.59	34.17
Newark Fire	71,116	91,587	28,054	30.63	31.12	41.18	34.59	34.07
Total	1,804,438	1,882,480	555,824	29.53	31.47	44.94	36.75	33.33
2—Commercial Union Group:								
Commercial Union Assur.	587,892	597,727	199,184	33.32	38.00	34.14	36.09	41.57
Commercial Union Fire	12,920	13,412	4,083	30.44	34.90	33.41	32.80	34.66
Ocean Accid. & Guar.	142,124	147,529	44,954	30.47	34.89	26.77	43.24	38.92
Palatine Insurance	155,045	160,942	49,034	30.47	34.89	33.42	32.79	34.66
British & European	25,841	26,823	8,174	30.47	34.89	33.42	32.79	34.66
British General	64,602	67,059	20,432	30.47	34.89	33.42	32.79	34.66
California	25,841	26,823	8,174	30.47	34.89	33.42	32.79	34.66
Canada Acc. & Fire	142,124	147,529	44,944	30.46	34.89	33.42	32.79	34.66
North West Fire	51,682	53,648	16,342	30.46	29.27	33.42	32.79	34.66
American Central	51,682	53,648	16,342	30.46	34.89	33.42	32.79	34.66
Union of London	245,487	254,824	77,629	30.46	34.89	33.42	32.79	34.66
Total	1,505,240	1,549,964	489,292	31.57	35.83	32.96	33.81	37.51
3—London & Lancashire Group:								
Law, Union & Rock	240,117	244,290	49,402	20.22	32.10	35.97	31.85	38.05
Lond. & Lancashire Ins.	803,749	828,282	277,667	33.53	41.43	39.80	30.23	51.75
Lodn. & Lanc. G. & A.	24,908	25,937	3,340	12.88	33.56	13.04	24.40	31.37
Mercantile Fire	93,737	98,138	34,052	34.70	30.88	21.50	25.11	38.53
Quebec Fire	100,980	105,835	32,342	30.56	35.33	27.69	34.72	32.23
Queen City*	50,972	54,333	16,1[illegible]	29.76	38.64	31.30	43.21	28.70
Hand-in-Hand*	40,045	38,914	8,35[illegible]	21.48	57.02	72.16	43.97	64.48
Merchants*	117,454	122,642	52,880	43.12	39.24	35.76	28.13	29.61
Total	1,471,962	1,518,371	474,209	31.23	38.82	36.94	31.05	44.47
*Provincial licensed companies; official figures.								
4—Phoenix of London Group:								
Acadia	161,138	166,183	57,698	34.72	35.77	40.22	30.36	31.18
Columbia	53,713	55,394	19,233	34.72	35.77	40.21	30.36	31.18
Imperial Assur.	107,425	110,788	38,465	34.72	35.77	40.20	30.36	31.18
London Guar. & Acc.	107,425	110,788	38,465	34.72	35.78	40.20	30.36	31.18
North Empire Fire	107,425	110,788	38,465	34.72	35.77	40.20	30.36	31.18
Phoenix of London	738,033	740,700	270,617	36.54	36.10	44.27	33.77	33.49
Union Marine Ins. Co.	107,425	110,788	38,465	34.72	35.77	40.28	30.47	31.89
United Firemen's	53,713	55,394	19,233	34.72	35.77	40.20	30.36	31.18
Total	1,436,297	1,460,823	520,641	35.64	35.94	42.23	32.09	32.38
5—Home Group:†								
City of New Yrok	1,225,524	1,213,404	504,406	41.57	38.12	40.92	38.25	40.80
Franklin								
Home								
Homestead								
National Liberty								
New Brunswick								
Baltimore American								
†All business in Canada reinsured in Home Insurance Co.								
6—Liverpool & London & Globe Group:								
Central Insurance	81,014	85,172	26,089	30.63	31.12	41.18	34.59	34.17
Gliobe Indemnity	101,267	106,464	32,611	30.63	31.12	41.18	34.59	34.17
Liverp'l. & Lond. & Gl.	728,424	754,021	266,476	35.34	30.98	48.15	33.29	35.99
Liverpool-Manitoba	162,028	170,344	52,178	30.63	31.12	41.18	34.59	34.17
National-Liverpool	81,014	85,172	26,089	30.63	31.12	41.18	34.59	34.17
Total	1,153,747	1,201,173	403,443	33.59	31.03	45.54	33.77	35.31
7—North American Group:								
Alliance Ins.	253,973	236,334	127,562	53.98	41.60	27.37	50.61	40.52
Insurance Co. of N. A.	608,578	621,309	181,655	29.24	26.92	66.15	34.22	35.90
Philadelphia F. & Mar.	54,380	55,966	51,842	92.63	36.78	19.74	13.04	40.82
National Security	46,086	43,117	13,192	30.60	21.14	36.63	28.39	4.39
Total	963,017	956,726	374,251	39.12	31.42	51.17	36.74	37.24
8—British America/Western Group:								
British America	282,398	293,846	107,766	36.67	34.31	33.15	29.97	30.42
British Canadian	59,566	59,711	22,315	37.33	34.77	33.11	30.00	30.45
British Empire Assur.	78,050	81,959	29,982	36.58	34.54	33.12	30.00	30.45
Imperial Guar. & Accid.	43,012	43,213	16,191	37.47	34.93	32.99	29.88	30.33
Western Assurance	417,368	416,425	153,326	36.82	34.54	33.16	29.99	30.42
North River Ins.	67,826	69,646	34,336	49.30	25.37	36.58	39.14	19.91
Total	948,220	964,860	363,916	37.72	33.93	33.44	30.75	29.55
9—Sun Group:								
Imperial Insurance	115,769	113,443	37,213	32.80	37.31	35.73	44.87	28.04
Patriotic Assurance	95,999	97,760	21,772	22.27	28.71	56.23	54.99	26.56
Planet Assurance	88,450	84,709	33,626	39.70	39.18	44.56	29.51	41.90
Sun Insurance	565,834	549,200	239,099	43.54	37.88	38.71	38.15	37.61
London & County	80,215	80,689	27,601	34.21	40.82	39.82	28.34	32.47
Total	946,267	925,801	359,311	38.81	37.20	40.34	39.16	35.18
10—Norwich Union Group:								
Canada Security	126,672	130,336	40,383	30.98	43.62	35.18	30.33	31.54
Norwich Union	662,102	683,323	244,451	35.77	37.72	41.31	34.80	37.27
Eagle Fire	56,319	54,508	23,707	43.49	46.48	27.84	16.47	....
Total	845,093	868,167	308,541	35.54	39.13	39.75	33.64	36.39
11—Prudential Group:								
Prudential of Eng.	663,304	631,491	266,298	42.17	42.64	41.75	48.33	39.54
Bee	127,079	149,896	73,244	48.86	45.87	53.18	37.97	50.87
Total	790,383	781,387	339,542	43.45	43.35	44.35	39.99	42.27
12—America Fore Group:								
Continental Insurance	286,351	279,130	83,002	29.74	46.75	32.87	44.56	33.43
Fidelity-Phenix of N. Y.	297,243	285,067	79,191	27.78	25.10	36.67	47.00	31.05
First American	32,458	36,303	20,288	55.89	12.54	28.78	28.78	38.43
Maryland Insurance	56,140	59,935	16,371	27.31	19.52	44.21	25.69	47.29
Niagara Fire	100,529	101,752	55,831	54.87	34.22	41.22	26.04	35.82
Total	772,721	762,187	254,683	33.41	33.23	36.17	40.17	34.33
13—Royal Exchange Group:								
Car & General	118,539	122,715	35,198	28.68	26.85	37.70	31.56	21.81
Local Government	.....	......	....	....	....	....	....	30.14
National Provincial	59,269	61,357	17,599	28.68	26.78	37.93	24.39	35.94
Royal Exchange	456,177	468,515	136,393	29.11	20.53	57.99	30.14	30.58
State Assurance	59,269	61,357	17,599	28.68	24.93	37.83	26.54	30.62
Motor Union	59,269	61,357	17,599	28.68	27.44	40.84	26.45	13.99
United British	......	......	......	....	....	....	....	42.10
Total	752,523	775,301	224,388	28.94	22.96	50.04	29.09	29.51
*These companies reinsured their business with Royal Exchange.								
14—North British & Mercantile Group:								
North British	578,323	587,470	207,894	35.89	36.81	33.25	31.78	30.60
Occidental Fire	93,034	99,261	29,136	29.35	30.50	39.03	32.93	34.57
Railway Passengers	55,568	52,528	27,886	53.09	23.59	36.73	24.80	16.77
Total	726,925	739,259	264,916	35.84	33.78	34.31	31.58	30.51
15—Guardian Group:								
Guardian Assurance	607,802	629,469	305,334	48.51	42.11	37.10	30.23	36.59
Guardian Ins. of Canada	79,816	82,489	35,097	42.55	34.86	32.53	27.64	32.16
Total	687,618	711,954	340,431	47.82	31.25	36.57	29.92	36.06
16—Employers' Liability Group:								
Employers' Liab.	510,898	515,674	163,868	31.78	40.21	41.64	48.33	31.45
Merchants' Marine	135,202	138,828	50,660	36.49	32.60	47.89	37.97	25.47
Total	646,100	654,502	214,528	32.78	38.54	43.06	39.99	30.04
17—Phoenix of Hartford Group:								
Connecticut Fire	138,073	135,096	55,822	41.32	40.07	28.40	36.28	31.85
Equitable Fire & Marine	27,615	27,020	11,164	41.32	40.07	28.40	36.28	31.85
Phoenix of Hartford	228,807	222,215	92,504	41.63	40.07	28.40	36.28	31.85
Reliance of Canada	60,245	64,119	19,596	30.56	21.54	29.48	33.90	22.20
Providence Washington	93,815	92,950	25,085	26.99	41.24	39.82	36.32	34.92
Westchester Fire	83,414	86,106	23,839	27.69	44.69	38.88	38.79	33.09
Total	631,969	627,506	228,010	36.34	38.82	31.63	34.90	30.40
Including Westchester Fire and Providence Washington omitted from group in 1934 and 1935.								
18—Eagle Star Group:								
British Crown Assur.	231,450	238,341	111,206	46.66	30.68	62.16	21.05	35.20
British Northwestern	109,010	112,767	46,518	41.25	23.78	35.78	32.62	32.54
Eagle, Star	222,279	250,673	66,183	26.40	46.18	65.13	27.47	32.44
Security National	35,912	35,597	20,310	57.06	28.63	62.59	37.49	32.67
Total	598,651	637,378	244,217	38.32	35.42	58.34	26.52	33.49
19—Hartford Group:								
Citizens of N. J.	17,942	16,141	7,295	45.20	15.28	36.69	28.57	29.45
Hartford Fire	497,186	497,380	177,984	35.78	31.88	28.62	32.55	34.79
London-Canada	79,260	91,723	28,690	31.28	39.23	30.89	37.35	47.95
Total	594,388	605,244	213,969	35.35	32.54	29.24	33.10	36.88
20—Northern Group:								
Northern Assurance	325,700	341,295	125,834	36.87	36.98	38.38	39.38	34.63
Royal Scottish	63,711	67,103	14,217	21.19	25.47	37.57	42.22	32.50
World Marine & Gen.	46,585	46,614	29,532	63.35	31.77	32.17	25.38	92.01
London & Scottish	53,522	58,435	14,910	25.53	16.82	34.15	38.65	34.53
Scottish Metropolitan	90,052	95,201	26,454	27.79	31.44	28.33	31.00	26.98
Total	579,570	608,648	210,947	34.66	32.41	35.79	37.32	36.68
21—Union of Canton Group:								
South British	59,517	52,656	20,655	39.23	19.83	108.47	....	....
Beaver Fire	21,421	23,426	4,440	18.95	23.29	26.11	31.99	35.19
British Oak	45,447	67,614	46,110	68.20	60.83	....	....	....
British Traders	144,933	144,485	52,990	36.68	36.03	47.55	40.34	25.98
China Fire	20,705	20,647	7,570	36.66	36.04	47.55	40.35	25.98
Union of Canton	248,457	247,759	90,839	36.66	36.04	47.55	40.33	25.73
Total	541,480	556,587	222,604	39.99	38.51	47.51	39.95	26.27
22—Great American Group:								
American Alliance	44,754	45,657	17,179	37.63	38.16	39.92	39.92	46.51
Great American	456,567	445,830	177,881	39.90	37.81	40.06	39.93	47.34
County Fire	......	......	......	....	....	....	39.92	46.52
Total	501,321	491,487	195,060	39.69	37.84	40.01	39.93	47.24
23—London Assurance Group:								
British Law	67,571	65,232	21,356	32.74	37.40	49.14	23.65	39.67
London Assurance	340,448	344,200	105,224	30.57	42.81	37.76	27.49	29.71
Guildhall Ins.	82,553	78,591	27,373	34.83	40.91	53.33	38.44	32.60
Total	490,572	488,023	153,953	31.55	43.37	41.60	28.59	31.55
24—Atlas Group:								
Atlas Assurance	407,510	416,877	127,907	30.68	35.25	41.29	28.19	31.30
Essex & Suffolk	55,192	56,236	14,860	26.42	33.05	31.15	28.27	31.36
Total	462,702	473,113	142,767	30.18	34.99	40.08	28.20	31.31
25—Aetna Fire Group:								
Aetna Insurance	394,773	372,114	165,747	44.54	37.58	44.11	30.51	32.73
World Fire & Marine	45,864	48,253	18,257	37.84	42.07	32.54	32.10	21.08
Total	440,637	420,367	184,004	43.77	38.11	42.72	30.73	30.99
26—Springfield Group:								
New England	......	......	......	....	36.69	52.45	....	....
Sentinel Fire	8,110	8,020	3,875	48.32	36.69	52.30	55.08	41.66
Springfield F. & M.	361,535	338,181	176,703	52.25	35.01	52.44	43.91	41.57
Michigan Fire	32,440	32,079	15,498	48.31	36.86	52.31	55.08	41.65
Total	402,085	378,280	196,076	51.83	35.25	....	54.04	41.58
27—Century Group:								
Anglo-Scottish	107,074	110,094	34,011	30.89	26.44	28.19	25.89	30.51
Pacific Coast Fire	79,605	83,224	30,513	36.66	29.44	28.45	28.71	35.51
Southern Insurance	31,284	32,780	10,563	32.22	25.18	25.71	26.91	31.69
Century Insurance	145,368	153,574	83,101	54.11	42.59	24.51	32.58	43.24
Total	363,331	379,672	158,188	41.66	33.50	26.53	29.36	36.92
28—Pearl Group:								
Pearl Assurance	299,064	289,028	73,266	25.35	39.75	40.25	40.52	33.74
Eureka-Security F. & M.	28,804	26,117	2,760	10.57	16.13	29.63	43.69	7.11
Pearl Underwriters*	......	......	......	....	....	....	....	....
Total	327,868	315,145	76,026	24.12	37.50	52.43	40.69	32.21
*Formerly Stuyvesant, all business reinsured with Pearl Assurance.								
29—Yorkshire Group:								
London & Provincial	48,589	48,286	9,177	19.01	18.74	22.34	23.74	61.50
Yorkshire Insurance	270,564	258,708	89,762	34.70	22.83	35.86	33.48	29.87
Total	319,153	306,994	98,939	32.23	22.16	33.68	31.96	34.52
30—Caledonian Group:								
Caledonian	235,882	240,403	59,917	24.92	32.04	29.90	43.09	44.02
Caledonian-American	42,329	44,281	14,915	33.68	34.73	29.36	38.90	34.23
Total	278,211	284,684	74,832	26.29	32.48	....	42.42	42.53
31—Scottish Union Group:								
Scottish Union	264,420	271,052	104,382	38.51	41.16	47.53	36.14	40.58
Central Union	13,581	13,045	2,631	20.17	35.78	35.18	21.51	30.38
Total	278,001	284,097	107,013	37.67	40.96	47.06	35.62	40.22
32—Firemen's Fund Group:								
Firemen's Fund	198,586	186,017	104,220	56.03	37.66	39.87	23.50	28.92
Home Fire & Marine	65,852	56,379	12,316	21.85	28.12	48.77	23.82	34.52
Total	264,438	242,396	116,536	48.08	35.14	42.38	28.30	29.00

Fire and Auto Index

	Fire	Auto
Acadia	4	..
Aetna	25	43
Affil. Und.	60	43
Agricultural	41	43
Alliance Assur.	34	41
Alliance Ins.	7	37
Amer. Mut.	46	..
American All.	22	35
American Auto Fire	..	2
American Auto	..	2
American Central	2	..
Am. Equit. of N. Y.	50	..
Amer. Exch. Union	62	..
Amer. Home Fire	58	43
Amer. Ins.	36	39
American Res.	58	..
Anglo Scottish	27	34
Antig. Farm Mut.	45	..
Arex	..	43
Arkwright Mut.	46	..
Atlas	24	43
Automobile	58	..
Bankers & Traders	58	43
Bankers & Shippers	47	..
Baloise	58	4
Beaver	21	15
Bee	11	..
Baltimore Amer.	5	..
Blackstone Mut.	46	..
Boston Man.	48	..
Boston	41	43
British-America	8	1
Brit. & European	2	..
British Can.	8	1
Brit. Crown	18	..
Brit. Empire	8	1
British Gen.	2	4
British Law	23	18
British Oak	21	15
Brit. Nor'western	18	..
British Traders	21	15
Buffalo	58	..
Caledonian	30	43
Caledonian Amer.	30	..
California	2	..
Camden	40	28
Canada Accident	2	4
Canners Exch.	61	..
Can. Security	10	10
Candn. Fire	53	12
Canadn. General	54	11
Candn. Indemnity	53	12
Candn. Surety	40	28
Car & General	13	25
Casualty of Can.	55	5
Central Ins.	6	..
Century	27	34
Candn. Mer.	46	43
Can. Recip. Under.	62	..
Cent. Manuf.	45	43
Central Union	31	..
Citizens of N.J.	19	..
City of N.Y.	5	..
China	21	17
Cotton & Wool Mfrs.	46	..
Columbia	4	..
Clare Mut.	58	..
Commerce Ins.	58	..
Commerce Mutual	45	43
Comm. Union Fire	2	..
Comm. Union Assur.	2	4
Connecticut Fire	17	..
Consolidated	47	2
Commercial Cos.	43	43
Continental Cas.	..	43
Continental Ins.	12	..
Cornhill	51	21
County Fire	22	35
Cumber. Farm Mut.	45	..
Dominion Fire	48	14
D. of Can. Gen.	55	5
Drapers & Gen.	41	43
Eagle Fire	10	10
Eagle Star	18	..
Economical Mut.	43	43
Emp. Liability	16	8
Emp. Reinsurance	..	43
Equitable F. & M.	17	..
Equitable Fire	45	..
Ensign	48	..
Enterprise Mut.	46	..
Eureka Sec.	28	27
Excess	49	..
Essex & Suffolk	24	..
Fall River	46	..
Federal Fire	47	..
Federal Ins.	58	29
Firemen's Mut.	46	..
Fidelity	..	23
Fidelity-Phenix	12	43
Fidelity & Cas. Co.	..	43
Fire Assoc. of Phil.	36	..
Firemen's Fund	32	..
Fire Ins. of Can.	49	..
Firemen's Ins.	48	..
First American	12	..
Fireproof Sprink.	60	..
Fonciere T. & A.	57	43
Franklin	5	6
Gen. Acc. F. & L.	52	3
Gen. Accid. of Can.	52	3
Gen. Cas. of Amer.	..	32
Gen. Reins.	..	43
Gen. Exchange	..	43
Gen. Ins. of Amer.	..	32
Gen. of Amer.	58	33
Gen. Fire, Paris	35	43
Gen. Cas. of Paris	34	43
Girard	48	..
Glens Falls	41	43
Globe Indem.	6	22
Gore Dist.	43	43
Grain Ins.	58	..
Globe & Rep.	..	57
Granite State	38	..
Great Amer. Ind.	..	35
Great Amer. Ins.	22	35
Guardian Assur.	15	..
Guardian Ins.	15	43
Guildhall	23	18
Hardware Mut.	44	40
Hartford Acc.	..	24
Hartford Fire	19	24
Halifax	58	43
Hand in Hand	3	17
Hanover	39	..
Hardware Deal.	44	40
Helvetia	58	..
Hope Mut.	46	..
Home Ins.	5	6
Homestead	5	6
Hudson Bay	1	..
Home Fire	32	..
Home Indemnity	..	6
Imperial Assur.	4	..
Imperial Guar.	8	1
Imperial Ins.	9	31
Indemnity	9	37
Indust. Mut.	46	..
Indiana Lumber	45	43
Individual Under.	60	..
Ins. Co. of N. A.	7	37
International	58	..
Inter. Ins. Exch.	59	..
Jersey	47	..
Kings Mutual	45	..
Law, Union & Rock	3	17
Legal & Gen.	37	43
Liberty Mutual	..	43
Liverpool & L. & G.	6	22
Liverpool-Man.	6	22
Lloyd's	62	43
Local Govt.	13	..
London Can.	19	24
London & County	9	31
Lon. & Lan. G. & A.	3	17
London & Lanc. Ins.	3	17
London & Prov.	29	33
London & Scottish	20	19
London Assur.	23	18
London Guar.	4	7
Lumber M. of Bost'n	45	..
Lumber Mu. Cas.	..	9
Lumber Mut. Mans.	45	..
Lumber Un. All.	59	..
Lumbermen's Ins.	47	..
Manufacturers Mut.	46	..
Manuf. Lumber	62	..
Marine	..	29
Maryland Cas.	..	43
Merchants Fire Assc.	47	..
Maryland Ins.	12	..
Mechanics Mut.	46	..
Merchants Mut.	46	..
Mercantile Fire	3	..
Merchants Fire	3	17
Merch. & Man.	49	..
Merch. Marine	16	8
Mercury	33	36
Metrop. Cas.	..	14
Metrop. Fire	56	..
Metrop. Ind. Ins.	60	..
Mich. Fire	26	38
Millers National	47	..
Millowners Mut.	45	..
Milwaukee	58	43
Minn. Imp.	44	40
Miss. Rowville	58	..
Motor Union	13	25
Millowners Mut. Chi.	46	..
Nat. Liverpool	6	..
Nat. of Paris	49	..
Nat. Ben. Franklin	48	14
National Retailers	58	9
Nat. Fire of Hart.	41	..
Nat. Liberty	5	6
Nat. Prov.	13	..
National Sec.	7	..
Nat. Un. Fire	39	43
Newark	1	26
New Brunswick	5	..
New Hampshire	38	43
New Eng.	33	43
Niagara Fire	12	..
Norwich Un.	10	10
Northeastern	56	..
North Star	58	42
North River	8	..
Northern Assur.	20	19
North British	14	20
North Empire	4	..
N.Y. Fire	49	..
N.Y. Recip.	60	..
N.Y. Under.	41	43
N.W. Cas.	..	30
N.W. Fire	2	..
N.W. Mutual	45	30
N.W. Nat.	48	14
Occidental	14	20
Ocean Acc.	2	4
Ohio Farmers	45	43
Pac. Coast Fire	27	34
Pac. Fire	47	..
Palatine	2	4
Paper Mill Mut.	46	..
Patriotic	9	31
Pearl	28	27
Pearl Und.	28	..
Perth Mut.	43	..
Penn. Lumber	45	..
Phila. Mfrs.	46	..
Phila. F. & Mar.	7	..
Phoenix of Paris	35	43
Phoenix of Hart.	17	..
Phoenix of Lond.	4	7
Pictou County Mut.	45	..
Pilot	58	43
Pioneer	1	..
Pilot Re.	45	..
Planet Assur.	9	..
Port La Prairie	45	..
Protection Mut.	46	..
Prov. Washington	17	43
Provident	..	42
Prov. of Paris	58	..
Provincial	51	21
Prudential Assur.	11	43
Que. Fire	3	..
Queen	1	26
Queen City	3	..
Queensland	58	43
Rwy. Pass.	14	20
Retail Lumber	45	..
Reliance	17	..
Rhode Island	42	43
Rhode Island Mut.	46	..
Rubber Mfrs.	46	..
Royal Exchge.	13	25
Royal Ins.	1	26
Royal Scottish	20	..
Scot.-Canadian	52	..
Scot.-Metrop.	20	19
Scottish Ins.	58	..
Scottish Union	31	43
Security N.H.	36	39
Security Nat.	18	..
Sentinel	26	..
Sea	41	..
South Brit.	21	..
Southern	27	34
Springfield	26	38
Stanstead & Sh.	45	..
State Assur.	13	..
St. Paul Fire	33	36
St. Paul Mercury	..	36
State Mutual	46	43
Sun	9	31
Sussex Fire	57	..
Svea	41	43
Switz. Gen.	58	..
Tokio Marine	58	..
Tor. Gen.	54	11
Trans-Contl.	41	..
Travelers Fire	41	16
Travelers Ind.	..	16
Union Assur.	2	4
Underwriters Ex.	59	..
Union of Canton	21	15
Un. of Paris	58	43
Un. Marine	4	7
Un. British	13	25
Un. Firemen's	4	..
United Mut.	45	43
United Pac. Ins.	..	43
Urbaine	37	..
U.S. Fid. & Guar.	..	23
U.S. Fire	41	..
U.S. Guar.	..	29
Warner Recip.	61	..
Waterloo Mut.	43	..
Wawanesa	42	13
Wapiti	42	13
Wellington	47	2
Western	8	1
Westchester Fire	17	..
Westminster Fire	34	..
What Cheer Mut.	46	..
Worcester Mfrs.	46	..
World Marine	20	19
World F. & Mar.	25	..
Yorkshire	29	33
Zurich	..	43

(A)—Group Experience:	Net Prems. Written $	Net Prems. Earned $	Net Losses Incurred $	Ratio of losses incurred to prems. earn. 1940 %	1939 %	Ratio of losses incurred incl. adjust. expenses as % of prems. earned 1938 %	1937 %	1936 %
33—St. Paul Group:								
Mercury Insurance	77,857	76,054	21,277	27.98	39.01	41.85	32.28	21.05
New England	8,110	8,020	3,875	48.32	....	....	....	....
St. Paul Fire & Marine	177,803	173,762	93,768	53.96	45.01	29.58	36.80	28.45
Total	263,770	257,836	118,920	46.12	43.10	33.56	33.81	26.07
34—Alliance Group:								
Alliance Assurance	254,617	274,577	89,491	32.59	30.16	64.44	44.48	27.44
Westminster Fire Office*	......	......	......	....	....	....	....	....
Total	254,617	274,577	89,491	32.59	30.16	64.44	44.48	27.44
*This company reinsures its business with Alliance Insurance.								
35—General Fire of Paris Group:								
General Fire of Paris	129,844	132,422	60,348	45.57	42.66	41.14	39.55	38.27
Phenix Fire of Paris	117,856	119,251	52,960	44.41	43.29	43.02	35.67	38.90
Total	247,700	251,673	113,308	45.02	42.95	42.19	37.65	38.57
36—Security, American & Fire Assoc. Group:								
Security of New Haven	59,746	63,599	21,545	33.88	29.03	35.50	27.35	29.74
American Insurance	68,193	71,679	25,662	35.80	34.88	32.01	23.94	25.54
Fire Assoc. of Phil.	99,138	102,042	46,219	45.29	18.71	84.76	24.27	53.13
Total	227,077	237,320	93,426	39.37	26.56	55.73	24.96	38.67
37—Muir Beddal (Canada) Ltd. Group:								
Legal & General	166,205	167,614	65,489	39.07	52.07	68.18	39.02	45.95
Urbaine	51,084	69,862	36,265	51.91	65.50	70.54	42.63	59.12
Total	217,289	237,476	101,754	42.85	56.39	68.94	40.13	49.80
38—R. de Grand Pre Group:								
Granite State Fire	44,760	42,402	37,733	88.99	78.97	56.63	44.56	69.12
New Hampshire Fire	153,102	140,990	80,771	57.29	41.07	45.34	42.09	38.99
Total	197,862	193,392	118,504	64.62	49.83	47.77	42.59	44.66
39—Dale & Company Group:								
Hanover Fire	78,777	81,462	29,889	36.69	71.60	67.11	43.94	61.13
National Union	115,956	105,238	27,091	25.74	45.71	44.42	49.87	46.65
Total	194,733	186,700	56,980	30.52	57.27	53.93	47.50	52.79
40—Canadian Surety Group:								
Camden Fire	75,637	73,359	17,994	24.53	29.96	39.64	29.55	35.50
Canadian Surety Co.	59,469	59,172	16,783	28.36	43.08	26.05	33.38	27.92
Total	135,106	132,531	34,777	26.24	36.09	33.43	31.26	32.12
41—Individual Companies:								
Travelers Fire	374,112	365,865	167,324	45.73	43.31	65.67	177.30	30.34
Nat. Fire of Hartford	236,403	228,820	92,128	40.26	35.75	33.90	35.19	35.68
United States Fire	175,276	169,719	62,046	36.76	38.12	42.17	41.46	28.30
Sea Insurance	105,369	108,453	44,051	40.62	29.35	66.28	42.91	29.91
New York Underwriters	86,512	88,708	31,215	35.19	39.01	25.83	32.20	27.12
Glen Falls	93,031	90,335	23,390	25.89	32.15	42.03	48.37	29.38
Agricultural Co. of N. Y.	63,512	53,578	22,450	41.90	22.82	26.74	30.14	30.27
Boston Ins.	31,343	36,614	8,317	22.72	20.24	23.68	33.07	37.28
Svea	26,614	26,495	18,343	69.23	57.28	69.55	38.40	27.34
Transcontinental	7,270	8,567	1,310	15.29	31.45	26.97	23.40	2.40
Drapers & General	21,448	7,426	1,065	14.34	....	....	....	....
Total Individual Bd. Cos.	1,220,490	1,184,580	471,639	39.81	38.89	39.26	35.72	34.99
Total Board Cos.	26,709,096	27,612,069	9,814,263	36.33	38.39	39.26	35.72	34.99

(Continued on Page 15)

Hail

(Dominion Licensed Companies)
(A)—Group Experience

	Net prems. written $	Net losses incurred $	Ratio %
Aetna-Alliance Ins.			
Aetna	16,919	11,405	67.41
Ins. of N. A.	45,073	20,285	45.00
Springfield	38,312	17,242	45.00
Sentinel	1,127	507	44.99
World F. & Mar.	28,154	8,880	31.54
Michigan	4,507	2,028	45.00
	134,092	60,347	45.00
Continental			
Continental Ins.	69,754	29,111	41.73
Fidelity Phoenix	21,600	8,128	37.63
First American	......	300	....
Maryland	5,414	3,677	67.92
Niagara	11,622	2,814	24.21
	108,390	43,430	40.06
Hartford			
Hartford Fire	54,444	27,700	50.88
Citizens of N. J.	11,901	4,995	41.97
N. Y. Underwrit.	10,634	5,340	50.22
	76,979	38,035	49.40
Phoenix of Hartford			
Phoenix Ins.	56,005	25,078	47.31
Connecticut	31,988	15,133	47.31
Equitable Fire	6,397	3,027	47.32
Prov. Washington	45,694	21,619	47.31
Westchester	45,694	21,619	47.31
	185,778	86,476	46.54
(B)—Individual Companies:			
Alliance Assur.	21,269	10,679	50.21
Amer. Alliance	8,719	4,919	56.42
Bee Hail	10,555	5,561	52.68
Canada Security	9,259	2,733	29.51
Gen. Cas. of Paris	31,717	12,943	40.81
Great American	78,469	44,272	56.43
Halifax	2,333	1,025	43.93
Home Ins.	283,875	89,066	31.38
Lloyd's*	73,946	41,635	56.31
Lond. & Scottish	14,111	2,353	16.67
New England	1,127	507	44.99
St. Paul F. & M.	15,073	5,103	33.86
Wawanesa	53,674	39,227	73.08
Grand total, 1940	1,106,854	488,261	43.95
1939	1,757,593	321,878	18.31

*Prov. license losses incl. adj. exp. ratio is per cent of prems. earned.

Royal Insurance Company Ltd.
Queen Insurance Company of America
The Pioneer Insurance Company
Newark Fire Insurance Company
Hudson Bay Insurance Company
The Globe Indemnity Co. of Canada
The Central Insurance Company Ltd.
The National-Liverpool Insurance Company
The Liverpool-Manitoba Assurance Company
The Liverpool & London & Globe Ins. Co. Ltd.
ROYAL INSURANCE COMPANY LIMITED
KNOWN
ROUND
THE WORLD
FOR SECURITY

AMERICAN EQUITABLE
ASSURANCE COMPANY
MERCHANTS and MANUFACTURERS
FIRE INSURANCE COMPANY
(Founded in 1849)
NEW YORK FIRE
INSURANCE COMPANY
Founded in 1832
MEMBERS OF
Corroon & Reynolds
GROUP OF INSURANCE COMPANIES
Licensed by the Dominion Government
HEAD OFFICE: MONTREAL
J. Marchand, Manager
Branch Office: Toronto
C. M. Henderson, Manager
F. Dingle and A. M. Firth, Inspectors
Agencies at:
Halifax, Saint John, Winnipeg, Saskatoon, Regina, Edmonton, Calgary and Vancouver

FIRE AUTOMOBILE RIOT EXPLOSION TORNADO INLAND TRANSPORTATION
Agents Everywhere
W. R. HOUGHTON
Manager
THE LONDON & LANCASHIRE INSURANCE Co. Ltd.
P. E. WAYLETT
Asst. Mgr.
HEAD OFFICE FOR CANADA
19 RICHMOND STREET WEST, TORONTO
LAW UNION & ROCK
INSURANCE COMPANY LIMITED
OF LONDON, ENGLAND
CANADIAN HEAD OFFICE, TORONTO
MERCANTILE
INSURANCE COMPANY
HEAD OFFICE, TORONTO
THE QUEBEC FIRE
ASSURANCE COMPANY
HEAD OFFICE, QUEBEC, P.Q.
G. H. HENDERSON, Chief Agent and Secretary
BRANCH OFFICES
Montreal, Saint John, Quebec, Winnipeg, Vancouver

Commerce Mutual Fire Insurance Company
1940
ANOTHER YEAR OF PROGRESS

Assets (Book Value)	$ 2,501,197.09
Capital Stock (Paid-Up)	210,925.00
Surplus	1,855,629.55
Surplus for Protection of Policyholders	2,066,554.55
Government Deposit	1,058,663.33
Income	1,095,450.45
Insurance in force	88,102,444.00

Hon. Alfred Leduc, President
T. A. St.-Germain, Managing Director
HEAD OFFICE — ST. HYACINTHE, QUE.
Branches and General Agents
Toronto Winnipeg Vancouver Saint John Montreal

Gore District Mutual Fire Insurance Company
Established 1839 · Head Office: Galt, Ontario
BOARD OF DIRECTORS
Alex. R. Goldie, President; John R. Blake, Vice-President; J. N. MacKendrick
James D. Allan; Hugh L. McCulloch; C. Gordon Cockshutt; W. W. Wilkinson; William Philip; F. G. Rolph
102nd ANNUAL STATEMENT

ASSETS		LIABILITIES	
Cash on Hand and in Banks	$ 100,266	Provision for Unsettled Claims	$ 27,623
Bonds, Debentures and Stocks at Book Value (Market Value of Bonds, Debentures and Stocks, $2,385,332.)	2,327,228	Reserve of Unearned Premiums	332,132
Mortgages	182,805	Provision for Government Taxes	9,000
Agents' Balances and Premiums Uncollected (excluding accounts over 90 days)	55,937	Agents' Credit Balances	1,492
Due from Re-Insuring Companies	4,141	Interest Paid in Advance	391
Interest and Rent Due and Accrued	36,751	Reserve for Contingencies	125,000
Real Estate Held for Sale	35,620		495,638
Head Office Building	50,000	Surplus	$2,297,110
	$2,792,748		$2,792,748

ALEX. R. GOLDIE, President. EDWIN S. HOOD, Secretary-Treasurer.
THORNE, MULHOLLAND, HOWSON & McPHERSON, Chartered Accountants.
WESTERN OFFICES
Toronto General Trusts Building, Winnipeg, Man. Arthur R. Ivey, Representative
10-106 Fourth Ave. North, Saskatoon, Sask. Roy Savage, Representative
21 Dominion Bank Chambers, Edmonton, Alta. Jas. J. Kellas, Representative
Pacific Building, Vancouver, B.C. Rorison, McBeath Insurance Ltd.
James J. Allen, Special Western Representative

Experience?

EXPERIENCE has been defined as the effect upon the judgment produced by any events — personal and direct impressions as contrasted with descriptions or fancies.

More than a hundred years of rich experience in all parts of the World — "direct . . . as contrasted with descriptions or fancies"—puts The Northern in a preferred position to help solve your insurance problems.

THE
NORTHERN ASSURANCE COMPANY
LIMITED

Aberdeen, Scotland London, England
Head office for Canada: Northern Building Montreal
A. HURRY, Manager

With which are associated these companies:
LONDON & SCOTTISH ASSURANCE CORPORATION LIMITED, THE ROYAL SCOTTISH INSURANCE COMPANY LIMITED, OF GLASGOW, SCOTTISH METROPOLITAN ASSURANCE COMPANY LIMITED, OF EDINBURGH, WORLD MARINE & GENERAL INSURANCE COMPANY LIMITED

FIRE • CASUALTY • AUTOMOBILE • SURETY

Fire and Casualty Insurance

The most satisfactory insurance for business or residential properties and for the inevitable accidents that come to thousands of people, is found in the liberal protection offered by the policies of the

NORWICH UNION
FIRE INSURANCE SOCIETY, LTD.
and its affiliated Companies, The
CANADA SECURITY ASSURANCE COMPANY
AND THE
EAGLE FIRE COMPANY OF NEW YORK

NORWICH UNION BUILDING
12-14 Wellington St. East
Toronto

DEPENDABILITY

From its organization in 1896 to December 31, 1940, the U. S. F. & G. paid out in claims and adjustment expenses a total of

$454,630,534.73

Its surplus as regards policyholders is

$17,287,758.18

It has on deposit in approved securities with the Government of the Dominion of Canada for the protection of its Canadian policyholders

$861,000.00

These figures attest the dependable and enduring protection afforded by this organization throughout Forty-five years of public service.

United States Fidelity and Guaranty Company
King and Victoria Streets, Toronto
SIDNEY W. BAND — Manager

Automobile Underwriters Experience

Premiums Written and Loss Ratio Both Show Increases in 1940

Although the volume of automobile premiums written in Canada in 1940 was about 7% higher than in 1939, losses increased by over 13% with the result that a loss ratio of 51.74 was shown against 49.09 in the year previous. This was still, however, below the loss ratio of 54.40 shown in 1938.

Increased number of accidents and higher claims are considered responsible for the larger loss figures. Improved business due to the war has meant a larger number of passenger cars and trucks on the road, thereby increasing the accident hazard.

Total premiums of the Dominion licensed companies in 1940 amounted to $20.9 millions compared with $18.8 millions in the previous year, while losses were $10.4 millions against $8.9 millions, a loss ratio of 49.86 compared with 47.5. When the figures of the provincial licensed companies are added, total premiums written are $24.9 millions against $23.2 millions and losses $12.9 millions against $11.4 millions with the loss ratios indicated above. Lloyds figures are included in the 1940 and 1939 calculations but not in those of previous years.

Canadian companies experienced a loss ratio for 1940 of 48.81 compared with 50.34 for the British companies and 50.43 for the American.

Since the close of 1940, increases in automobile insurance rates have been announced in Quebec but these became effective only on March 1. They will affect the results in that province in 1941.

The loss ratio in Ontario in 1940 was 57.02.

AUTOMOBILE INSURANCE EXPERIENCE, 1940
ANALYZED BY GROUPS AND INDIVIDUAL COMPANIES

(Official Dominion and Ontario Government Figures—Banked in Order of Net Premiums Written)

(A)—GROUP COMPANIES:	Net Prems. Written $	Net Losses Incurred† $	Ratio of losses incurred to premiums written 1940 %	1939 %	1938 %	1937 %	1936 %
1—British-America-Western Group:							
British America	351,917	173,786	49.41	49.28	52.56	53.30	58.15
British Canadian Ins.	80,433	43,025	53.49	41.18	53.07	57.65	56.93
British Empire	119,954	63,516	52.95	45.68	53.58	57.40	55.00
Imperial Guar. & Acc.	134,236	67,405	50.21	40.05	52.11	58.30	58.18
Western Assur.	490,074	248,586	50.72	47.38	53.37	59.11	55.92
Total	1,176,614	596,318	50.68	46.47	53.03	57.03	56.63
2—Shaw & Begg Group:							
American Auto. Fire	183,096	61,659	33.68	40.98	36.68	36.50	36.62
American Auto. Ins.	608,187	371,632	61.10	56.76	64.45	65.46	49.94
Consolidated	161,338	80,233	49.73	46.90	61.99	55.07	58.34
Wellington Fire	193,461	83,033	42.92	43.46	52.49	49.28	60.04
Total	1,146.082	596,557	52.05	39.35	57.66	56.04	51.36
3—General Accident Group:							
General Acc. of Canada	618,524	280,506	45.35	40.22	51.46	55.44	70.36
General Acc. Fire & Life	302,156	172,887	57.22	46.22	50.25	66.48	53.55
Total	920,680	453,393	49.25	42.32	51.04	58.60	66.28
4—Commercial Union Group:							
British General Ins.	70,678	42,754	60.49	46.37	44.80	66.09	76.91
Canada Acc. & Fire	203,198	122,912	60.49	46.90	62.10	64.28	71.98
Commer. Union Assur.	123,263	69,475	56.36	43.66	43.89	28.47	46.64
Palatine Insurance	44,174	27,792	62.91	48.22	41.35	31.80	42.47
Union Assurance	53,008	32,063	60.48	48.98	76.12	85.55	44.86
Ocean Accident	397,792	240,483	60.45	47.21	37.15	45.89	....
Total	892,113	535,479	60.02	46.73	47.25	51.52	59.49
5—Dominion of Canada Group:							
Casualty Co. of Canada	163,640	65,545	40.05	36.71	57.94	48.19	44.22
Dom. of Canada General	589,014	254,127	43.14	40.07	43.85	40.94	46.15
Total	752,654	319.672	42.47	39.26	46.70	42.48	45.78
6—Home Group:							
Franklin Fire Home Indemnity Home Insurance Homestead National Liberty	727,301	384,868	52.92	55.84	66.78	43.64	44.28
7—Phoenix of London Group:							
London Guar. & A.	280,019	149,897	53.53	47.83	42.25	60.70	61.38
Phoenix Assurance	308,262	153,315	49.74	40.67	51.84	62.52	52.72
Union Mar. & General	111,713	78,940	70.66	32.74	45.20	53.49	52.42
Total	699,994	382,152	54.59	41.98	47.07	60.83	56.41
8—Employers' Liability Group—							
Employers' Liability	495,484	212,580	42.90	43.07	58.24	53.64	62.64
Merchants' Marine	61,647	30,560	49.81	20.15	75.01	78.09	42.58
Total	556,831	243,140	43.66	40.89	59.70	55.80	61.45
9—Lumbermen's Group:							
Lumbermen's Mutual Cas.	472,430	190,628	40.35	37.20	46.42	51.64	55.71
National Retailers	67,038	10,898	15.51	19.01	19.96	0.17	....
Total	539,468	201,526	37.36	35.17	43.76	51.02	55.71
10—Norwich Union Group:							
Canada Security	128,653	63,335	49.23	55.76	53.42	55.22	43.38
Norwich Union	388,004	186,400	48.04	45.87	41.61	54.22	59.04
Eagle Fire	12,531	5,792	46.22	30.26	79.29	43.48	....
Total	529,188	255,527	48.29	48.01	45.33	54.31	55.63
11—Canadian General Group:							
Canadian General	305,694	123,892	40.53	40.94	56.95	62.00	63.66
Toronto General	210,982	116,865	55.39	43.75	47.14	49.86	66.99
Total	516,676	240,757	46.60	42.15	52.42	56.59	65.17
12—Canadian Fire Group:							
Canadian Fire	178,137	72,171	40.51	37.05	49.66	54.48	44.88
Canadian Indemnity	257,795	112,693	43.71	34.62	48.62	53.88	58.28
Total	435,932	184,864	42.41	35.67	49.06	54.13	61.50
13—Wawanesa Mutual Group:							
Wawanesa	390,900	187,152	47.88	35.66	67.18	57.73	56.20
Wapiti	......	......	....	....	....	54.50	49.27
Total	390,900	187,152	47.88	35.12	71.54	57.50	49.27
14—Massie & Renwick Group:							
Dominion Fire	36,229	14,153	39.07	40.33	37.33	54.94	43.41
Metropolitan Cas.	252,922	121,921	48.20	46.03	53.10	66.47	81.02
Natl. Ben Franklin	67,137	23,760	35.39	42.36	31.37	37.42	35.98
Northwestern National	8,306	3,848	46.33	52.49	46.90	46.68	35.55
Total	364,594	163,682	44.89	45.02	48.53	62.19	69.92
15—Union of Canton Group:							
British Traders	116,884	56,527	48.36	44.72	43.77	46.00	44.36
Union of Canton	217,070	104,978	48.36	44.49	42.29	51.26	45.80
Beaver Fire	491	555	113.03	38.92	66.91	23.91	49.12
British Oak	13,985	4,039	28.88	59.55	53.93	73.28	51.52
Total	348,430	166,099	47.67	46.98	27.66	49.37	45.31
16—Travelers' Group:							
Travelers Fire	38,351	14,714	38.37	26.37	31.71	22.33	20.41
Travelers Indemnity	307,347	197,674	64.32	46.06	52.87	66.06	50.67
Total	345,698	212,388	61.44	43.98	50.51	60.56	46.89
17—London & Lancashire Group:							
Hand-in-Hand*	6,766	4,248	62.78	64.82	45.67	12.80	7.06
Law, Union & Rock	54,804	31,152	56.84	46.64	58.93	41.78	56.17
Lond. & Lanc. Ins.	51,810	13,532	26.12	39.82	55.36	18.30	82.45
London & Lanc. G. & A.	195,480	90,410	46.25	39.49	38.39	40.56	48.95
Merchants' Fire Ins.*	27,166	9,072	33.39	49.70	100.98	57.44	65.08
Total	336,026	148,414	44.17	42.13	49.57	39.13	55.76
*Provincial licensed company; official figures. Loss figures niclude adjustment expenses.							
18—London Assurance Group:							
British Law	26,683	10,555	39.56	70.04	83.54	51.73	40.23
Guildhall Insurance	213,199	130,127	61.04	49.18	58.36	62.64	52.50
London Assurance	65,615	42,848	65.30	45.93	54.79	65.86	49.95
Total	305,497	183,530	60.08	50.89	59.94	60.68	51.24
19—Northern Group:							
London & Scottish Assce.	15,430	16,681	108.11	53.14	15.22	12.89	51.30
Northern Assurance	179,201	89,656	50.03	46.82	62.50	52.90	49.20
Scottish Metropolitan	63,545	27,485	43.25	44.85	72.87	57.78	69.11
World Marine & General	43,187	20,755	48.06	53.55	97.85	56.93	62.15
Total	301,363	154,577	51.29	47.79	66.56	52.21	54.74
20—North British Group:							
North British	207,842	103,085	49.60	45.63	69.95	43.87	69.97
Occidental Fire	21,307	6,414	30.10	70.56	54.89	45.43	64.41
Railway Passengers	72,074	25,292	35.09	33.43	21.70	61.24	16.54
Total	301,223	134,791	45.75	44.38	56.42	48.51	52.09
21—Willis Faber Group:							
Cornhill	135,037	66,923	49.56	48.28	56.94	35.27	57.04
Provincial Ins.	161,428	95,484	59.15	48.58	44.36	60.91	74.59
Total	296,465	162,407	54.78	48.47	50.29	58.38	62.67
22—Liverpool & London & Globe Group:							
Globe Indemnity of Canada	177,604	59,781	33.66	29.04	54.80	59.37	62.49
Liverpool & L. & Globe	96,917	33,424	34.49	29.27	51.50	57.05	74.75
Liverpool-Manitoba	19,218	6,632	34.51	30.05	53.02	57.32	60.65
Total	293,739	99,837	33.99	29.19	53.58	58.46	66.50
23—U. S. Fidelity Group:							
Fidelity of Canada	104,307	51,213	49.10	60.14	65.30	66.44	61.58
U. S. Fidelity & Guar.	186,055	77,587	41.70	54.50	64.05	21.87	137.39
Total	290,362	128,800	44.36	56.52	64.56	37.16	105.29
24—Hartford Group:							
Hartford Acc. & Ind.	189,876	93,422	49.20	54.28	41.15	59.88	50.39
Hartford Fire	24,687	6,535	26.47	43.64	52.53	40.33	36.79
London-Canada Ins.	71,960	28,484	39.58	63.66	42.31	46.47	51.81
Total	286,523	128.441	44.83	56.12	42.58	53.67	49.63
25—Royal Exchange Group:							
Car & General	40,051	10.819	27.01	45.73	38.96	50.94	44.13
Motor Union	139,354	57,423	41.21	29.34	54.20	69.52	17.53
Royal Exchange	100,680	42,156	41.87	52.12	66.27	58.40	46.41
United British†	......	60	....	....	....	....	41.17
Total	280,085	110,458	39.44	39.57	56.00	67.38	38.45
†This company reinsures auto. business with Motor Union.							
26—Royal Group:							
Queen Insurance	18,816	7,392	39.29	35.89	42.20	44.63	49.57
Royal Insurance	239,105	78,001	32.62	28.76	55.82	56.62	63.29
Newark Fire	15,604	6,158	39.46	36.05	42.40	45.07	49.63
Total	273,525	91,551	33.47	29.69	54.05	55.07	61.50
27—Pearl Group:							
Pearl Assurance	220,298	122,170	55.46	57.44	58.62	51.73	41.86
Eureka-Security Fire & Mar.	3,934	923	23.46	6.97	....	....	....
Total	224,232	123,093	54.90	57.22	....	....	....
28—Canadian Surety Group:							
Camden Fire	11,104	6,293	56.67	37.51	80.08	18.83	72.84
Canadian Surety	208,307	129,011	61.93	50.76	46.34	52.44	46.54
Total	219,411	135,304	61.67	50.04	48.09	49.89	47.51
29—Chubb & Son Group:							
Marine	13,450	5.572	41.43	9.80	23.13	59.74	57.38
Federal Ins.	83,817	40,307	48.09	49.19	69.49	57.02	56.98
U. S. Guarantee	112,939	63,749	56.45	51.02	47.66	52.28	46.94
Total	210,206	109,628	52.15	47.31	44.74	55.28	54.66
30—Northwestern Mutual Group:							
Northwestern Mutual	115,948	45,038	38.84	33.44	30.54	36.84	38.47
Northwest Casualty	92,240	38,436	41.67	52.18	37.73	77.81	43.63
Total	208,188	83,474	40.10	41.52	33.70	77.81	43.63
31—Sun Group:							
Imperial Insurance	43,640	17,822	40.84	51.70	29.70	75.23	51.04
London & County	29,923	13,608	45.48	115.94	43.72	58.68	77.93
Patriotic	26,543	10,408	39.21	12.13	64.56	111.16	96.77
Sun Insurance	94.815	25,918	27.34	53.94	44.76	45.28	44.25
Total	194,921	67,756	34.76	57.60	90.00	59.25	42.78
32—General of America Group:							
Gen. Ca. of America	117,499	39,530	33.64	25.62	45.07	48.47	83.82
Gen. Ins. of America	68,002	21,293	31.31	29.02	39.48	48.61	45.32
Total	185,501	60,823	32.79	26.92	43.21	48.52	69.56
33—Yorkshire Group:							
London & Prov.	38,352	14,016	36.55	36.92	14.66	35.37	55.37
Yorkshire Ins.	140,694	62,887	44.70	30.64	42.06	50.55	39.91
Total	179,046	76,903	42.95	31.99	36.06	47.24	42.77
34—Century Group:							
Anglo-Scottish Ins.	39,105	14,345	36.68	29.62	47.24	91.40	58.20
Century Insurance	39,789	8,092	20.34	35.31	47.27	99.42	60.65
Pacific Coast Fire	38,323	14,345	37.43	30.23	48.20	92.33	61.72
Southern Insurance	13,035	4,782	36.69	29.62	47.23	91.40	61.11
Total	130,252	41,564	31.91	31.54	47.53	94.10	60.28
35—Great American Group:							
American Alliance	3,619	1,788	49.41	40.43	42.65	47.12	38.74
County Fire	......	......	....	....	....	47.17	38.78
Great American Ind.	84,247	37,554	44.58	57.67	35.39	59.05	43.64
Great American Ins.	32,567	16,088	49.40	40.42	42.15	47.13	38.75
Total	120.433	55,430	46.03	52.06	37.90	54.87	41.89
36—St. Paul Group:							
Mercury Insurance	12,430	6,793	54.65	37.49	24.48	98.33	39.42
St. Paul Fire & Marine	52,236	26,379	50.50	56.09	283.97	51,40	53.32
St. Paul Mercury	38,128	25,338	66.46	25.89	74.80	145.63	52.66
Total	102,794	58,510	56.92	41.91	187.89	58.78	52.84
37—North American Group:							
Alliance Ins.	12,070	5,059	41.91	40.52	21.67	70.49	51.78
Indemnity Insur.	53.303	30,713	57.62	44.44	57.81	80.34	62.38
Insurance Co. of N. A.	16,661	4,653	27.93	27.76	15.28	32.96	19.85
Total	82,034	40,425	49.28	40.36	....	67.02	52.27
38—Springfield Group:							
Springfield Fire & Marine	32,333	15,434	47.73	22.47	....	....	....
Michigan Fire	3,695	1,764	47.25	22.51	....	....	....
Total	36,028	17,198	47.74	22.48	....	....	....
39—Security, American & Fire Assoc. Group:							
Security Ins.	6,835	2,545	37.23	23.04	55.47	18.51	14.68
American Ins.	1,644	266	16.18	64.65	75.55	16.89	21.55
Fire Assoc. of Phil.	6,065	3,316	54.67	19.20	1.57	....	....
Total	14,544	6,127	42.13	28.28	60.18	16.97	....
40—Hardware Mutual Group:							
Hardware Dealers' Mutual	6,664	1.372	20.59	30.26	105.81	28.63	29.95
Minn. Implement Mutual	6,664	1,372	20.59	30.25	105.81	28.63	29.25
Hardware Mutual	......	......	....	41.56	105.81	28.68	29.25
Total	13,328	2,744	20.59	32.14	105.81	28.68	29.25
41—Alliance Group:							
Alliance Assurance	184	—21,869	....	488.81	67.32	72.47	68.65
Total	184	—21,869	....	488.81	67.32	72.47	68.65
42—Provident Group:							
North Star	108	1,875	1,736.11	....	....	262.88	50.08
Provident‡	......	......	....	....	....	....	111.22
Total	108	1,875	1,736.11	....	....	262.88	108.77
‡Provincial licensed company; official figures.							
(B)—INDIVIDUAL COMPANIES:							
General Exchange	1,070,708	616,436	57.57	61.50	64.76	53.36	52.72
Halifax	552,799	362,994	65.66	67.92	73.92	81.07	45.84
Glens Falls	545,679	242,310	44.41	44.09	64.23	59.19	47.81
Pilot‡	512,782	252,909	49.32	39.68	46.71	57.64	66.34
Zurich	490,382	264,497	53.94	58.78	38.69	53.60	48.73
Guardian Ins. Co.	469,235	213,424	45.48	51.91	52.98	48.49	47.34
Fidelity Phenix	384,846	211.838	55.04	59.69	40.01	....	....
Prudential Assurance	294,616	217,949	73.98	51.43	54.70	68.45	51.96
Economical Mutual	275,628	143,059	51.90	47.15	46.04	49.72	69.38
Atlas	166,895	89,889	53.86	51.52	48.92	56.21	41.57
Gen. Casualty of Paris	138,551	95,048	68.60	45.27	38.37	40.83	100.40
Can. Mercantile	136,129	83,262	61.16	52.81	27.85	....	....
Commerce Mutual	136,029	75,783	55.71	42.44	44.93	48.05	96.52
Scottish Union	134,202	69,482	51.77	54.51	62.55	69.40	68.00
L'Union Fire of Paris	126,438	53,803	42.55	51.13	110.53	62.00	60.21
Employers' Reinsurance	88 870	18,978	21.35	47.68	200.67	49.71	100.06
Maryland Casualty	87,117	62,101	71.28	37.10	81.74	75.56	45.53
Milwaukee Mechanics†	78,465	25,988	33.12	24.86	....	....	....
Comm'l. Cas.	74,389	20,990	28.22	37.58	....	....	....
Gore District	73,043	27,421	37.54	33.51	....	....	....
Bankers & Traders	61,594	23,522	38.19	70.20	21.57	59.20	63.12
Caledonian	41,886	23,345	55.73	15.15	64.34	....	79.98
Gen. Reinsurance	36,847	29,723	80.67	39.17	78.43	....	....
State Farm Mutual	30,568	16,357	53.51	....	922.68	....	....
Providence Washington	24,226	18,188	75.08	55.08	34.01	57.18	44.40
United Pacific Insur.	23,899	17.110	71.59	58.79	66.42	25.40	108.41
Affiliated Und.	21,076	9,523	45.18	76.78	51.84	....	....
New Hampshire	18,210	13,148	72.20	81.86	72.36	30.67	50.15
Legal & General	17,364	7,501	43.20	62.89	146.47	96.72	61.16
Arex Indem.	14,083	4,543	32.26	54.32	....	....	....
National Union Fire	13.127	5,036	38.36	47.26	26.67	48.25	38.83
Queensland	10,589	4,849	45.79	9.81	33.01	215.52	....
Ohio Farmers	10,030	3,954	39.42	42.21	31.36	23.04	34.07
Drapers & General	9,304	8,172	87.83	....	....	....	....
Liberty Mutual	9,118	2,514	27.57	16.32	50.36	....	....
Gen. Fire of Paris	9,094	3,007	33.07	....	....	....	....
Agricultural	7,641	4,124	53.97	26.58	45.54	44.89	63.45
Central Manufac. Mutual	5,809	3,279	56.45	43.23	33.27	25.55	17.95
Phenix of Paris	5,384	1,004	18.65	....	....	....	....
Lloyd's‡	3,354,689	2,237,937	64.90	....	....	....	....
Continental Casualty	4,187	4,343	103.73	46.76	271.52	281.01	543.22
Aetna Ins.	3,174	536	16.89	....	....	....	....
Svea	1,983	152	7.67	....	....	....	....
United Mutual	1,719	256	14.89	2.06	....	....	....
Boston	962	1,053	109.46	51.14	59.27	49.56	63.19
N. Y. Underwriters	951	347	36.49	8.55	75.92	134.50	1.99
New England	924	441	47.73	22.58	....	....	....
Indiana Lumbermen's	90	......	....	11.25	....	....	....
Foncier Transport & Acc.	......	8,837	....	....	....	230.71	65.33
American Home Fire	......	—414	....	....	....	....	64.45
United British	......	60	....	....	....	....	....
Total, individual companies	9,755,331	5,600,608	57.41	....	....	....	....
Grand total, 1940	**24,984,504**	**12,925,973**	**51.74**	**49.09**	**54.40**	**57.19**	**58.38**
Grand toal, 1939	23,245,129	11,410,317	49.09	....	....	....	....

‡Provincial licensed company; official figures losses include adjustment expenses.
†Exclusive of adjustment expenses.

Lloyd's Underwriters

MISCELLANEOUS LINES

According to figures obtained from the Ontario Department of Insurance the experience of the Non-Marine Underwriters at Lloyd's in Canada in 1940 was as follows:

	Prems. written $	Prems. earned $	Losses incurred inc. adjust. expenses $	Ratio losses incurred incl. adjust. exp. to prems. earned %
Accident	154,620	146,478	39,754	27.14
Accident, Sickness	10,930	11,936	9.644	80.80
Aircraft	48,071	41,672	13,720	32.92
Boiler and Machinery	112,309	78,294	16,489	21.06
Credit	402	322	......	....
Employers' Liab.	8,172	8,028	—31,749	....
Guarantee	147,220	139,909	—53,219	....
Inland Transport.	40,551	43,546	17,941	41.20
Livestock	20,097	19,671	6,990	35.53
Personal Prop.	17,865	15,928	5,614	35.25
Plate Glass	758	566	568	100.35
Prop. Damage	281,154	234,661	3,643	1.55
Pub. Liab.	206,111	222,815	57,394	25.76
Sickness	......	521	......	....
Sprinkler Leakage	2,808	2,562	15	.59
Theft	68,140	69,595	22,506	32.34
Weather	8,002	6,980	750	10.74
Workmen's Compensation	68,614	64,548	4,080	6.32

Machinery

	Net prems. written $	Net losses incurred $	Ratio %
Boiler Inspection	113,536	24,139	21.26
Gen. Acc. of Can.	76,401	22,922	30.01
Halifax	12,896	937	7.27
Hart. Steam Boiler	5,025	2,020	40.20
Lbrmans M. Cas.	467	34	7.28
Maryland Cas.	266	889	334.21
Ocean Acc. & G.	33,373	745	2.23
Travelers Indem.	6,640	322	4.85
Total, 1940	248,604	52,011	20.92
1939	233,172	75,754	32.49

Livestock

	Net prems. written $	Net losses incurred $	Ratio %
Hartford Livest'k.	9,103	2,752	30.23
Indemnity Insur..	10,291	5,950	57.82
Yorkshire	1,367	333	24.36
Totals, 1940	20,761	9,035	43.52
1939	26,231	20,928	79.78

Weather

	Net prems. written $	Net losses incurred $	Ratio %
Hartford Fire Ins.	2,837	742	26.15
Home Insur.	1,455	1,043	71.68
Totals, 1940	4,292	1,785	41.59
1939	7,373	5,017	68.05

Forgery

	Net prems. written $	Net losses incurred $	Ratio %
Canadian Gen.	3,986	25	0.63
Canadian Indem.	2,628	37	1.41
Canadian Surety.	2,174	—19	....
Globe Indemnity.	3,439	208	6.05
Grain Insurance.	2,936	228	7.77
Indemnity Ins.	7,702	5,502	71.44
Liberty Mutual	159	......	....
Liv. & Lon. & G.	385	25	6.49
Maryland Cas.	345	......	....
National Surety.	......	—460	....
Royal Insurance	5,382	361	6.71
U.S. Fid. & Guar.	1,058	—1,500	....
Tor. Gen. Ins.	31	......	....
Total, 1940	30,225	4,407	14.58
1939	38,711	—3,859	....

Fraud

	Net prems. written $	Net losses incurred $	Ratio %
Can. Indemnity	9,040	2,909	32.18
Total, 1940	9,040	2,909	32.18
1939	9,638	2,213	22.96

Credit

	Net prems. written $	Net losses incurred $	Ratio %
Amer. Credit Ind.	223,252	12,039	5.39
Total, 1939	396,978	32,723	15.86

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BALANCE SHEET—December 31st, 1940

ASSETS

Bonds—		
Book Value		$2,345,051.68
Market Value	$2,433,885.32	
Cash in Bank and Office		163,179.79
Due from Reinsurance Companies		2,905.69
Premiums Due Less Outstanding prior to October 1st, 1940		118,484.81
Accrued Interest		24,343.27
		$2,653,965.22

LIABILITIES

Provision for Unpaid Claims		$ 216,349.28
Reserve of Unearned Premiums		427,683.46
Reserve of Unlicensed Reinsurance		93,924.96
Special Guarantee Reserve		6,752.17
Due to other Companies		22,233.93
Other Liabilities		67,339.71
Capital Paid in		375,000.00*
General Reserve Fund		850,000.00*
Surplus		594,681.71*
		$2,653,965.22
Surplus as regards Policy-holders		$1,819,681.71*
Total Net Income 1940—Premiums written	$929,074.03	$1,025,395.62
Interest	96,321.59	

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Sickness

(Dominion Licensed Companies)

(A)—Group Experience:	Net prems. written $	Net losses incurred $	Ratio %
British America-Western			
British America	14,436	9,397	65.10
British Canadian	6,614	4,275	64.64
British Empire	10,056	6,232	62.03
	31,106	20,904	67.20
Commercial Union			
Canada Acc. & F.	20,691	10,554	51.01
Union Assur. Soc.	6,889	6,560	95.22
Comm. Union Ass.	8,967	5,185	57.82
	36,547	22,299	61.01
Dominion of Canada			
Casualty Co. of C.	17,971	12,839	71.44
Dom. of C. Gen.	80,063	48,435	60.50
	98,034	61,274	62.05
General Accident			
Gen. Acc. of Can.	25,060	27,298	108.93
Genl Acc. F. & L.	13,593	9,180	67.53
	38,653	36,478	94.38
London & Lancashire			
Law Union & Rk.	2,966	2,168	73.10
London & Lanc. G. & A.	17,075	15,112	88.50
	20,041	17,280	86.22
Northern			
Northern Assur.	7,063	5,357	75.84
World Marine	7,016	5,357	76.35
	14,079	10,714	76.09
North British & Mercantile			
North Brit. & M.	34,663	27,181	78.42
Occidental Fire	1,782	360	20.20
Railway Pass.	17,160	13,012	75.83
	53,605	40,553	75.65
Norwich Union			
Canada Security	2,161	1,054	48.77
Norwich Union	13,503	7,254	53.72
	15,664	8,308	53.04
Phoenix of London			
London G. & Acc.	12,316	9,153	74.32
Union Marine	1,851	541	29.23
Phoenix Assur.	4,715	2,188	46.41
	28,882	11,882	41.14
Royal Exchange			
Car & General	93	4	4.30
Royal Exchange	91	—88	....
	184	—44	....
Royal Liverpool L. & G.			
Globe Indemnity	48,416	23,016	47.54
Liverpool L. & G.	5,380	1,914	35.58
Royal Insurance	46,462	22,256	47.90
	100,258	47,186	47.06
Sun			
Sun Insurance	9,938	10,651	107.17
Imperial Ins.	2,109	1,601	75.91
	12,047	12,252	10.17
U. S. Fidelity			
Fidel. Ins. of Can.	2,231	2,713	121.60
U. S. Fidel. & Gr.	7,773	5,857	75.35
	10,004	8,570	85.66
(B)—Individual Companies:			
Aetna Life	47	......	....
Alliance Assur.	12	—102	....
British Northwest	3,135	3,195	101.91
Canadian Indem.	14,427	8,052	55.81
Comm. Cas.	32,448	23,417	72.17
Continental Cas.	377,536	230,926	61.17
Employers' Liab.	86,289	43,821	50.79
Fidelity & Cas.	......	11	....
Gen. Cas. of Paris	11,645	9,519	81.74
Gen. Rein.	1,890	644	34.07
Guard. Ins. of C.	8,657	5,236	60.48
Great Amer. Ind.	314	......	....
Guildhall	4,229	2,534	59.92
Halifax	1,108	569	51.35
Hartford Acc.	557	—33	....
Imperial Guar.	49,415	32,957	66.69
Indemnity Ins.	880	680	77.27
Legal & General	6,485	4,805	74.44
London Assur.	3,906	2,648	67.79
Maryland Cas.	483	394	81.57
Metropolitan Cas.	92	......	....
Metropolitan Life	39,412	28,116	71.34
North Amer. Acc.	2,117	1,198	56.59
Ocean Acc.	29,409	19,551	66.48
Prudential Assur.	28,341	20,993	74.07
Royal Guardians	791	453	57.27
Travelers Ins.	209,251	155,579	74.35
Union of Canton	27,664	20,404	73.76
Western	36,375	23,499	64.60
Zurich	197,239	121,349	61.52
Grand total, 1940	1,623,326	1,057,037	65.12
1939	1,573,771	978,396	62.17

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Personal Accident

(Dominion Licensed Companies)

(A)—Group Experience:	Net prems. written $	Net losses incurred $	Ratio %
British American-Western			
British America	32,058	14,071	43.90
British Canadian	11,769	5,118	43.49
British Empire	21,134	9,088	43.00
Imperial G. & A.	79,378	34,842	43.89
Western Assur.	70,837	29,601	41.79
	215,176	92,720	43.09
Canadian Fire			
Canadian Fire	6,335	462	7.29
Canadian Indem.	15,285	2,693	17.62
	21,620	3,155	10.43
Commercial Union			
Canada Acc.	52,165	22,096	42.36
Union Assur.	15,555	3,771	24.24
Comm. Union	20,042	8,825	44.03
	87,762	34,592	39.41
Dominion of Canada			
Cas. Co. of Can.	35,911	13,091	36.45
Dom. of Can. Gen.	184,971	65,746	35.54
	220,682	78,837	35.72
General Accident			
Gen. Acc. of Can.	50,372	23,670	46.99
Gen. Acc. F. & L.	25,074	9,082	36.22
	75,446	32,652	43.28
London & Lancashire			
Lon. & Lan. G.&A.	39,486	19,655	49.78
Law Union & Rk.	14,698	1,472	10.01
	54,184	21,127	38.99
North British			
North British	56,710	21,654	38.18
Rly. Passengers	40,010	7,465	18.66
Occidental Fire	3,471	1,888	54.39
	100,191	31,007	30.94
Northern			
Lond. & Scottish	466	100	21.46
Northern Assur.	18,108	13,076	72.21
Scottish Metrop.	3,572	909	25.45
World Marine	3,966	1,567	39.51
	26,112	14,652	56.11
Norwich Union			
Canada Security	6,761	2,750	40.67
Norwich Union	44,344	12,170	27.44
	51,105	14,920	29.19
Phoenix of London			
London G. & A.	37,479	10,317	27.53
Union Marine	7,725	4,489	58.11
Phoenix Assur.	6,881	5,492	79.81
	52,085	20,298	38.97
Royal Exchange			
Royal Exchange	5,910	1,527	25.84
Car. & Gen. Ins.	1,605	619	38.57
Motor Union Ins.	2,098	180	8.56
	9,613	2,326	24.19
Royal Liverpool & L. & G.			
Globe Indem.	63,063	22,383	35.49
Liverp'l L. & G.	7,007	2,487	35.49
Royal Insur.	64,444	21,700	33.67
	134,514	46,570	34.62
Sun			
Sun Insurance	45,909	15,256	33.23
Imperial Ins.	5,971	3,771	63.16
	51,880	19,027	36.67
U. S. Fidelity			
Fidel. Insur.	4,758	1,002	21.48
U.S. Fid. & Guar.	27,733	7,593	27.38
	32,491	8,595	26.42
Yorkshire			
London & Prov.	4,714	424	8.99
Yorkshire	32,969	19,002	57.64
	37,683	19,426	51.55
(B)—Individual Companies:			
Aetna Life	3,970	1,624	40.91
Alliance Assur.	5	471	9,420
Anglo-Scottish	38,176	6,962	18.24
Atlas	6,592	2,185	33.15
Br. Nor'Western	6,801	1,712	25.17
Century Inse.	12,441	7,430	59.72
Commercial Cas.	40,297	14,496	35.97
Confed. Life	4,238	......	....
Continental Cas.	384,185	140,634	36.61
Employers' Liab.	223,872	88,280	39.43
Employers' Reins.	4,987	1,171	23.48
Fidelity & Cas.	534	......	....
Gen. Cas. of Paris	28,036	12,513	44.63
General Reins.	3,522	5,343	151.70
Guardian Ins.	45,326	24,505	54.04
Great Amer. Ind.	1,986	199	10.02
Guildhall	12,755	4,341	34.03
Halifax	6,717	59.46	88.52
Hartford Acc.	7,822	1,176	15.03
Indemnity Insur.	13,962	6,660	47.70
Legal & General	10,574	7,492	70.85
London Assur.	7,734	4,914	63.55
Lumberman's M.	32,674	9,303	28.47
Maryland Cas.	22,015	6,947	31.56
Metropolitan Cas.	5,438	1,716	31.56
Metropolitan Life	229,761	83,912	36.52
North Amer. Acc.	3,106	954	30.71
Occidental Life	85	......	....
Ocean Acc. & Gr.	115,262	52,659	45.69
Pearl	6,595	4,286	64.99
Prudential Assur.	58,042	40,108	69.10
Prudential Ins.	2,491	35	1.41
Travelere Insur.	509,194	170,565	33.50
Union of Canton	52,343	18,433	35.22
Wawanesa	1,231	3	0.24
Zurich	43,676	21,068	48.24
Grand total, 1940	3,117,562	1,189,158	38.14
1939	3,228,608	1,256,477	38.92

Compensation

(Dominion Licensed Companies)

Canadian Cos.:	Net prems. written $	Net losses incurred $	Ratio %
British America	4,421	2,259	57.20
British Canadian	1,209	870	71.96
British Empire	1,232	779	63.23
British N'western	1,186	130	10.96
Canada Accident	16,462	14,484	87.98
Canada Security	3,067	3,480	113.47
Canadian Fire	1,159	None	....
Candn. General	9,531	1,192	12.51
Candn. Indemnity	12,508	3,817	30.52
Candn. Surety	714	33	4.62
Casualty	515	25	4.85
Consolidated	None	1,130	....
Dom. of Can. Gen.	2,203	678	30.78
Gen. Acc. of Can.	29,022	16,887	58.19
Globe Indemnity	27,445	11,046	40.25
Guardian	29,003	7,015	24.19
Halifax	16,063	8,838	55.02
Hudson Bay	None	None	....
Imperial Gr. & A.	1,493	775	51.71
Imperial Insur.	527	66	12.52
Lond. & Lanc. Gr.	18,892	7,557	40.00
North Amer. Acc.	None	None	....
Occidental Fire	3	None	....
Toronto General	54,803	35,322	64.45
Wawanesa	17	None	....
Western	6,230	3,550	56.98
Totals 1940	237,705	120,203	50.57
1939	234,373	92,731	39.57
British Cos.:			
Alliance Assur.	155	626	403.87
Atlas	11,110	2,574	23.17
Car and General	1,071	934	87.21
Century	258	275	106.59
Comm. Un. Assur.	1,927	474	24.60
Empire	None	None	....
Employers' Liab.	137,358	69,263	50.43
Gen. Acc. F. & L.	3,268	1,358	41.55
Guildhall	6,435	495	7.69
Law Union & Rk.	11,965	5,998	50.13
Liv. & Lon. & G.	3,049	1,236	40.54
London & Prov.	1,584	396	25.00
Lond. & Scottish	1,737	7,912	455.50
London Assur.	199	53	26.63
Lond. Gr. & Acc.	29,062	8,346	28.72
North British	10,804	5,150	47.67
Northern	15,654	7,409	47.33
Norwich Union	23,223	13,846	59.62
Ocean Accident	14,886	5,477	36.79
Phoenix Assur.	9,441	4,634	49.08
Prudential Assur.	27,540	20,186	73.30
Rlwy. Passengers	2,334	237	10.15
Royal Exchange	18,390	18,349	99.78
Royal Insurance	27,158	10,454	38.49
Scottish Metropol.	379	10	2.64
South British	None	None	....
Sun	900	—11	....
Union Assurance	5,808	5,421	93.34
Union of Canton	49,060	24,230	40.39
Union Marine	1,084	654	60.33
World Marine	8,323	5,811	69.82
Yorkshire	5,443	1,292	23.74
Totals 1940	429,605	223,080	51.93
1939	391,854	128,677	32.84
Foreign Cos.:			
Arex Indemnity	3,176	12,804	403.15
Commercial Cas.	457	22	4.81
Continental Cas.	856	None	....
Employers Reins.	1,256	6,835	544.19
Fidelity & Cas.	862	331	38.40
Fonciere Transp't.	None	979	....
Gen. Cas. of Am.	482	7	1.45
Gen. Cas. of Paris	16,277	6,390	39.26
General Reinsur.	636	None	....
Gt. Amer. Indem.	2,063	3,976	192.73
Hartford Accident	17,338	5,069	29.24
Indemnity	4,404	282	6.40
Liberty Mutual	791	138	17.45
Lumbermen's Mu.	None	17	....
Maryland Cas.	30,553	—17,097	....
Travelers Insur.	65,495	56,713	86.59
U. S. Fid. & Guar.	33,103	15,711	47.46
Zurich	13,487	4,541	33.67
Totals 1940	191,236	96,718	50.58
1939	137,497	70,650	51.38
Grand totals 1940	858,546	440,010	51.25
1939	763,724	292,058	38.24

Other Accident

(Other than personal and workmen's compensation insurance)
(Dominion Licensed Companies)

(A)—Group Experience:	Net prems. written $	Net losses incurred $	Ratio %
British Amer.-Western			
British Amer.	23,356	8,874	37.99
British Can.	4,800	2,561	53.35
British Empire	10,804	4,634	42.89
Imp. Guar. & Ac.	15,819	6,646	42.01
Western Assur.	46,948	19,727	42.02
	101,727	52,442	51.55
Canadian General			
Canadian Gen.	129,612	63,551	49.03
Toronto General	37,049	10,658	28.77
	166,661	74,209	44.52
Canadian Fire			
Canadian Fire	4,002	276	6.90
Canadian Indem.	137,493	58,329	42.42
	141,495	58,605	41.41
Commercial Union			
Can. Acc. & F.	39,208	10,478	26.72
Union Assur.	7,322	2,043	27.90
Comm. Union	10,263	150	....
	57,793	12,671	21.92
Dominion of Canada			
D. of Can. Gen.	43,663	16,410	37.58
Casualty Co.	15,204	6,655	43.77
	58,867	23,065	39.18
General Accident			
Can. Acc. of Can.	131,747	58,820	44.65
Gen. Acc. F. & L.	30,414	9,301	30.58
	162,161	68,121	42.08
North British & Mercantile			
N. Brit. & Merc.	18,840	3,548	18.83
Occidental Fire	793	558	70.37
Rly. Passengers	5,637	145	....
	25,270	3,961	15.67
Northern			
Northern Assur.	25,278	3,209	12.69
Lond. & Scottish	9,377	976	10.41
Scottish Metrop.	1,614	307	10.02
World Marine	11,229	609	5.42
	47,498	5,101	10.73
Norwich Union			
Canada Security	7,219	6,305	87.34
Norwich Union	45,987	8,972	19.51
	53,206	15,277	28.71
Phoenix of London			
London G & A.	35,385	11,017	31.13
Union Marine	8,094	1,387	17.14
Phoenix Assur.	25,407	5,197	20.45
	68,886	17,601	25.50
Royal Exchange			
Royal Exchange	38,840	10,688	27.52
Car & General	11,533	2,888	25.04
Motor Union	1,021	205	....
	51,394	13,781	26.81
Royal Liverpool & L. & G.			
Globe Indemnity	56,686	4,858	....
Liverp'l & L&G.	6,298	541	....
Royal Insur.	54,235	4,598	....
	117,219	9,997	....
Sun			
Sun Insurance	5,916	1,125	19.02
Imperial Insur.	3,502	780	....
	9,418	345	36.63
U. S. Fidelity			
U.S. Fid. & Guar.	131,754	36,608	27.79
Fid. Ins. of Can.	47,727	13,657	28.61
	179,481	50,265	28.00
Yorkshire			
Yorkshire Insur.	18,163	3,137	17.27
London & Prov.	6,784	753	11.10
	249,947	3,890	15.59
(B)—Individual Companies:			
Alliance Assur.	28	76	271.43
Anglo-Scottish	25,059	12,758	50.91
Atlas	16,574	3,188	19.23
Arex Indemnity	11,405	5,751	50.43
Br. Northwestern	6,263	1,040	16.61
Canadian Surety	25,024	6,328	25.29
Century Insce.	2,888	188	6.51
Commercial Cas.	10,330	971	9.40
Consolidated	4,858	481	9.90
Continental Cas.	12,001	3,066	25.48
Economical Mut.	1,778	85	4.78
Employers' Liab.	189,209	72,062	38.09
Employ. Reinsur.	10,456	3,487	....
Federal Fire	2,136	1,020	47.75
Fidelity & Cas.	1,399	....	....
Fonciere Transp. & Acc.	......	1,648	....
G. Cas. of Amer.	11,038	4,033	36.54
G. Cas. of Paris	18,304	10,861	59.34
General Reinsur.	17,017	......	....
Guardian Ins.	59,090	16,272	27.54
Gr. Am. Indem.	6,772	478	7.06
Guildhall	11,110	8,804	79.24
Halifax	35,086	24,884	70.92
Hartford Acc.	19,822	2,998	15.12
Indemnity Ins.	22,084	3,653	16.54
Law Union & R.	9,459	1,431	15.13
Legal & General	8,462	995	11.76
London Assur.	15,570	9,384	50.52
Lon. & Lanc. Gr.	30,675	19,391	63.21
Lumb. Mut. Cas.	15,437	5,473	35.45
Liberty Mutual	5,444	1,744	32.04
Maryland Cas.	28,375	10,067	35.48
Metropolitan Cas.	31,349	2,642	8.43
Ocean A. & Gr.	45,539	20,079	44.09
Pearl	43,260	1,295	2.99
Prudential Assur.	43,832	13,690	31.23
Travelers Indem.	15,461	1,239	8.01
Travelrs Insur.	61,253	16,153	26.37
U. S. Guaranty	2,814	......	....
Union of Canton	144,258	40,866	28.33
Wawanesa	4,813	10	....
Zurich	42,857	19,361	45.18
Grand Total, 1940	2,334,640	719,995	30.84
1939	2,191,872	641,841	29.28

Property

(Dominion Licensed Companies)

Canadian:	Net prems. written $	Net losses incurred $	Ratio %
British Amer.	273	93	34.07
Canada Security	......	—9	....
General Acc.	307	......	....
Globe Indemnity	119	......	....
Pacific Coast	38	13	34.21
Western	428	146	34.11
Totals, 1940	1,165	243	20.86
1939	2,978	263	8.83
British:			
Atlas	1,930	67	3.47
British Law	1,883	11	0.58
Century	89	26	29.21
Gen. Acc. F. & L.	38	......	....
Guildhall	7,173	206	2.87
Indem. Marine	447	134	29.98
Liv. L. & Gl.	856	......	....
Lon. & Lanc.	38,306	2,863	7.47
London Assur.	4,751	22	0.46
Northern	47	2	4.26
Norwich Un. F.	105	—25	....
Pearl	23	......	....
Royal Insur.	818	......	....
Sea	2,601	......	....
World Marine	10	2	20.00
Totals, 1940	59,077	3,308	5.60
1939	45,049	1,084	2.41
Foreign:			
Aetna Insur.	108,711	8,253	7.59
Agricultural	170	......	....
Automobile	106	......	....
Connecticut	4,732	706	14.92
Continental Ins.	563	......	....
Equitable Fire	946	141	14.90
Fidelity-Phenix	—4,789	—316	....
Fire Assoc.	4,118	......	....
Fireman's Fund	47,043	93,668	199.11
Gen. Ins. of Am.	1,695	......	....
Insur. of N. A.	2,758	......	....
Phoenix Insur.	7,841	1,170	14.92
Providence Wash.	139	......	....
Tokio	277	134	48.38
U. S. Fire	447	134	29.98
Westchester	447	134	29.98
World F. & M.	4,228	......	....
Totals, 1940	179,438	104,024	57.97
1939	174,283	43,147	24.76
Grand totals, 1940	239,680	107,575	44.88
1939	222,310	44,494	20.01

Steam Boiler

	Net prems. written $	Net losses incurred $	Ratio %
Boiler Inspection	288,977	8,518	2.95
British Canadian	31	......	....
Employers' Liab.	32,531	2,453	7.54
Fidel. & Casualty	2,287	......	....
Gen. Acc. of Can.	80,295	6,006	7.48
Globe Indemnity	12,760	459	3.60
Guardian Ins. of Canada	23,372	3,859	17.25
Halifax	8,485	660	7.78
Hartford Steam Boiler	14,580	146	1.00
Liv. & Lon. & G.	1,464	52	3.55
Lon. Guar. & Acc.	867	......	....
Lumber'M. Cas.	5,214	......	....
Maryland Cas.	13,021	105	0.81
Ocean Acc. & G.	42,894	14,483	33.76
Royal Ins.	28,362	434	1.53
Travelers Indem.	45,395	2,306	5.08
Western Assur.	142	......	....
Totals, 1940	599,675	39,481	6.58
1939	481,225	24,746	5.14

Canadian Casualty Insurance

	Net Premiums Written 1940 $	Net Premiums Written 1939 $	Net Incurred 1940 $	Loss Ratio 1940 %	Loss Ratio 1939 %	Loss Ratio 1938 %
Accident:						
(1) Personal	3,117,562	3,228,608	1,189,158	38.14	38.92	39.19
(2) Empl. liab. & comp.	858,546	763,724	440,010	51.38	51.25	58.00
(3) Other	2,334,640	2,191,872	719,995	30.84	29.28	39.67
Acc. and sickness combined	3,542,578	3,091,098	2,054,644	58.00	59.79	56.88
Aviation	292,677	285,197	117,479	40.14	46.12	45.81
Burglary	1,384,869	1,575,403	511,708	36.95	40.42	45.77
Credit	223,253	206,575	12,039	5.39	15.84	14.09
Earthquake	12,802	3,064	96	....	6.17	0.14
Machinery	248,604	233,172	52,011	20.92	32.49	24.17
Plate glass	575,833	513,690	276,732	48.06	46.28	46.96
Explosion	166,217	109,417	149	0.09	0.04	18.96
Forgery	30,225	58,711	4,407	14.58	....	48.17
Fraud	9,040	9,638	2,909	32.18	22.96	18.78
Weather	4,292	7,373	1,785	41.59	68.05	37.50
Guarantee:						
(1) Fidelity	1,237,945	1,229,628	367,332	29.67	23.53	28.55
(2) Surety	753,203	754,359	14,385	1.91	....	17.26
Hail	1,032,408	1,757,593	446,676	43.27	18.31	76.10
Inland transportation	1,099,308	913,173	436,145	39.67	30.31	40.04
Livestock	20,761	26,231	9,035	43.52	79.78	52.94
Property	179,438	174,283	104,024	57.97	24.76	17.30
Personal property	2,286,760	1,616,595	735,306	32.15	35.27	34.56
Sickness	1,623,326	1,573,771	1,057,037	65.12	62.17	61.57
Steam boiler	599,675	481,225	39,481	6.58	5.14	5.80
Tornado	146,831	133,639	130,771	89.06	43.24	32.83
	21,780,883	20,938,039	8,721,122	40.04	36.50	44.11

Figures are exclusive of Lloyd's.

Burglary Insurance

(Dominion Licensed Companies)

(A)—Group Experience:	Net prems. written $	Net losses incurred $	Ratio %
Canadian Surety			
American Surety	2,213	160	7.23
Canadian Surety	19,720	4,970	25.20
	21,933	5,130	22.38
British-American Western			
British America	12,175	3,927	32.25
British Canadian	7,849	1,708	21.76
British Empire	4,209	1,459	34.66
Imp. Guar. & A.	7,007	2,185	31.18
Western Assur.	26,105	8,277	31.71
	57,345	17,556	30.61
Canadian Fire			
Canadian Fire	8,740	1,894	21.67
Canadian Indem.	74,280	25,813	34.75
	83,020	27,707	33.38
Canadian General			
Canadian General	52,498	16,887	32.17
Toronto General	8,948	4,001	44.71
	61,446	20,888	33.99
Commercial Union			
Canada Acc. & F.	14,319	7,509	52.44
Union Assur.	4,922	3,609	73.32
Comm. Union	9,012	3,575	39.67
	28,253	14,693	52.00
Dominion of Canada			
Casualty Co.	16,642	6,243	37.51
Dom. of Can. Gen.	49,500	18,544	37.46
	66,142	24,787	37.49
General Accident			
Gen. Acc. of Can.	58,681	21,253	36.22
Gen. Acc. F. & L.	11,302	3,042	26.92
	69,983	24,295	34.71
London & Lancashire			
Law Union & Rk.	1,841	1,740	94.51
London, Guar.	16,570	4,553	27.48
	18,411	6,293	34.18
North British & Mercantile			
North Brit. & M.	13,977	9,186	65.72
Occidental Fire	1,959	1,713	87.44
Railway Pass.	6,000	2,580	43.00
	21,936	13,479	61.44
Northern			
Lond. & Scottish	3,406	73	2.14
Northern Assur.	28,219	5,951	21.09
World Marine	7,180	1,715	23.69
	38,805	7,739	19.94
Norwich Union			
Canada Security	5,127	1,512	29.49
Norwich Union	21,826	5,499	25.19
	26,953	7,011	26.01
Phoenix of London			
Union Marine	2,609	865	33.15
Lond. Guar. & A.	17,546	9,998	56.98
Phoenix Assur.	16,725	3,332	19.92
	36,980	14,295	38.65
Royal Liverpool & L. & G.			
Globe Indem.	45,063	12,425	27.57
Liverp'l & L. & G.	5,063	1,381	27.28
Royal Insurance	46,435	13,022	28.04
	96,561	26,928	27.88
Sun			
Imperial Ins.	4,027	1,899	47.16
Sun Insurance	10,096	1,294	12.82
	14,123	3,193	22.55
United States Fidelity			
Fidel. Ins. of Can.	32,971	17,476	53.00
U.S. Fid. & Guar.	88,281	14,949	16.93
	121,252	32,425	25.94
Yorkshire			
London & Prov.	5,326	1,916	35.97
Yorkshire	16,020	9,497	59.28
	21,346	11,413	53.46
(B)—Individual Companies:			
Alliance Assur.	—59	11	....
Anglo-Scottish	2,563	403	15.72
Arex Indemnity	1,256	......	....
Atlas	13,021	3,607	27.70
Brit. N'western	4,583	2,132	46.52
Century Ins.	3,340	1,130	33.83
Comm. Casualty	9,349	344	3.68
Continental Cas.	4,359	2,196	50.38
Employers' Liab.	62,201	30,705	49.36
Employ. Reins.	2,717	......	....
Federal Fire	10,741	2,912	27.11
Fidel. & Casualty	277	......	....
Gen. Cas. of Am.	9,350	2,353	25.17
Gen. Cas. of Paris	16,294	10,792	66.23
Gen. Reinsurance	4,950	305	6.16
Grain Insur.	20,785	12,585	60.55
Gt. Am. Indem'y	7,095	1,807	25.47
Guardian Ins.	44,297	24,365	55.00
Guildhall	4,223	845	20.01
Halifax	22,342	8,574	38.38
Hartford Accid.	22,238	9,753	43.86
Indemnity Insur.	26,155	5,385	20.59
Legal & General	11,762	2,957	25.14
London Assur.	2,835	742	26.17
Lumberm's Mut.	3,005	1,339	44.56
Maryland Cas.	28,870	14,603	50.58
Metropolitan Cas.	16,378	6,014	36.72
National Surety	......	13	....
Northwest Cas'lty	3,672	447	12.17
Ocean Accident	27,350	14,605	53.40
Pearl	11,533	3,526	30.57
Prudential Assur.	27,349	12,080	44.17
Queensland	655	......	....
Reliance	2,970	1,411	47.51
Royal Exchange	33,189	9,511	28.66
Travelers Indem.	86,258	29,296	33.96
Union of Paris	—996	814	....
Union of Canton	19,921	17,600	88.35
U. S. Guarantee	4,382	4,073	92.95
Wawanesa	4,010	1,609	40.12
Zurich	25,260	13,232	52.38
Grand total, 1940	1,384,869	511,708	36.95
1939	1,575,403	636,705	40.42

Aviation

(Dominion Licensed Companies)

Canadian Cos.:	Net prems. written $	Net losses incurred $	Ratio %
British America	1,817	936	51.51
Western	1,817	936	51.51
Totals 1940	3,634	1,872	51.51
1939	3,436	1,118	32.54
British Cos.:			
London Guarantee	10,890	—274	....
Marine	3,625	3,523	97.19
Phoenix Assur.	36,165	61,355	169.65
Totals 1940	50,680	64,604	127.47
1939	58,640	66,072	112.67
Foreign Cos.:			
Aetna Insurance	12,528	8,077	64.47
Auto. Insurance	11,273	7,542	66.90
Continental Ins.	718	1,786	248.75
Fidelity & Cas.	7,510	3,472	46.23
Gt. Amer. Indem.	11,424	—9,958	....
Gt. Amer. Insur.	36,854	9,511	25.81
Hartford Accid.	19,184	—3,635	....
Hartford Fire	12,530	8,090	64.57
Ins. Co. of N. A.	11,273	2,619	23.23
Maryland Cas.	19,184	—3,904	....
Nat'l. Union Fire	6,265	4,014	64.07
North River	4,536	3,122	68.83
Phoenix Ins. of H.	14,241	9,556	67.10
Prov. Washington	2,624	794	30.26
St. Paul Fire	14,241	8,764	61.45
Springfield Fire	4,606	1,064	23.10
Travelers Fire	6,264	4,477	71.47
Travelers Indem.	19,184	—3,923	....
U. S. Fidel. & Gr.	19,184	—3,116	....
U. S. Fire	4,740	2,647	55.84
Totals 1940	238,363	50,999	21.40
1939	223,121	64,329	28.83
Grand totals 1940	292,677	117,475	40.14
1939	285,197	131,519	46.12

Inland Transport

(Dominion Licensed Companies)

Canadian Cos.:	Net prems. written $	Net losses incurred $	Ratio %
Acadia	580	698	120.34
British America	16,245	5,332	32.82
British N'western	1,408	4	0.28
Canada Accident	9,959	3,404	34.18
Canada Security	1,176	80	6.80
Canadian General	10,393	14,590	140.38
Candn. Indemnity	25,974	15,882	61.15
Canadian Surety	63	2	3.17
Dom. of Can. Gen.	None	8,125	....
Gen. Ac. of Can.	679	348	51.25
Globe Indemnity	3,103	1,035	33.35
Guardian Insur.	1,027	1,718	167.28
Halifax	1,738	1,324	76.18
North Empire	387	465	120.16
Pacific Coast	2,274	776	34.12
Reliance	None	None	....
Toronto General	24,015	13,595	56.61
Wawanesa	861	1,082	125.67
Western	25,527	8,312	32.56
Totals, 1940	125,409	76,772	61.22
1939	102,620	39,846	38.83
British Companies:			
Alliance Assur.	None	—247	....
Atlas	4,992	4,021	80.55
Br. & For. Mar.	1,077	None	....
British Crown	2,071	579	27.96
British Law	1,021	284	27.82
British Oak	7,018	1,871	26.66
Century Insur.	2,662	833	31.29
Comm. Union	10,215	354	3.47
Eagle Star	646	None	....
Employers' Liab.	75	156	210.67
Gen. Ac. F. & L.	2,079	370	17.80
Guildhall	1,908	90	4.72
Indemnity Marine	13,312	4,055	30.46
Legal & General	4,964	1,862	37.51
Liv. & Lon. & G.	15,950	4,158	26.07
Lon. & Lan. Ins.	16,154	2,456	15.20
London & Prov.	60	None	....
London Assur.	44,394	9,729	21.92
Lon. Guar. & Ac.	1,934	2,325	120.22
Marine	23,654	—8,334	....
N. Br. & Mer.	3,544	142	4.01
Northern	4,060	3,267	80.47
Norwich Un. Fire	10,101	3,217	31.85
Ocean Accident	1,163	472	40.58
Ocean Marine	None	None	....
Pearl	5,247	239	4.55
Phoenix Assur.	4,103	4,197	102.29
Prudential Assur.	84,462	23,634	27.98
Queensland	6,020	2,598	43.16
Rly. Passengers	578	30	5.19
Royal Exchange	1,294	300	23.18
Royal Insurance	17,169	5,257	30.62
Scottish Union	222	None	....
Sea	9,033	4,845	53.64
Standard Marine	None	None	....
Sun	1,261	611	48.45
Union Assurance	452	51	11.28
Union of Canton	50,783	14,565	28.68
Union Marine	4,566	1,744	38.20
World Marine	345	35	10.12
Yorkshire	6,665	522	7.83
Totals, 1940	365,255	90,290	24.72
1939	283,705	60,651	21.38
Foreign Companies:			
Aetna Insurance	65,217	22,434	34.40
Agricultural	4,612	1,404	30.44
Alliance Insur.	17,857	6,104	34.18
Amer. Alliance	775	148	19.10
American Insur.	47,958	54,436	113.51
Automobile	16,938	2,336	13.79
Boston Insurance	3,602	2,755	76.49
Camden	2,768	2,195	79.30
Central Mfrs.	1,620	101	6.23
Columbia	193	233	120.73
Connecticut	4,943	851	17.22
Continental Insur.	20,537	5,242	25.52
Eagle Fire	7	None	....
Equitable Fire	989	170	17.19
Federal Insur.	10,910	250	2.29
Fidelity-Phenix	12,290	4,043	32.90
Fire Association	7,382	8,254	111.81
Fireman's Fund	2,347	—43	....
First American	1,285	99	7.70
Gen. Cas. of Paris	347	—84	....
Gen. Ins. of Am.	1,433	27	1.88
Glens Falls	7,459	2,038	27.32
Gt. Am. Insur.	6,978	1,334	19.12
Hartford Fire	77,811	39,395	50.63
Home Insurance	89,388	66,561	74.46
Ins. Co. of N.A.	51,076	4,523	8.86
Lumbermen's Ins.	78	None	....
Maryland Insur.	581	190	32.70
Michigan	924	1,002	108.44
Milwaukee Mec.	6,377	1,257	19.71
Nat.-Ben Franklin	212	15	7.08
National Fire	4,297	133	3.10
Nat. Union Fire	2,926	None	....
N. Y. U'writers	None	None	....
Niagara	904	345	38.16
North River	312	8	2.56
N'western Mut.	145	None	....
N'western Nat.	61	35	57.38
Ohio Farmers	302	None	....
Pacific Fire	543	None	....
Phila. F. & M.	1,085	45	4.15
Phoenix Insur.	8,191	1,410	17.21
Prov. Washington	2,965	139	4.69
Queen	2,078	None	....
St. Paul Fire	64,585	17,517	27.12
Security	779	614	78.82
Sentinel	231	251	108.66
Springfield	8,083	8,768	108.47
Tokio	8,698	2,657	30.55
Travelers Fire	7,119	1,185	16.65
U. S. Fire	13,325	4,058	30.45
Westchester	13,310	4,058	30.49
World F. & Mar.	3,811	590	15.48
Totals, 1940	608,644	269,083	44.21
1939	526,848	176,317	33.47
Grand Totals 1940	1,099,308	436,145	39.67
1939	913,173	276,814	30.31
(Provincial Licensed Companies)			
Pilot	2,169	2,179	2.54

Accident, Sickness

(Dominion Licensed Companies)

(A)—Group Experience:	Net prems. written $	Net losses incurred $	Ratio %
Dominion of Canada			
Cas. Co. of Can.	1,329	......	....
Dom. of Canada	4,176	953	22.82
	5,505	953	22.82
General Accident			
Gen. Acc. of Can.	13,891	4,043	29.11
Gen. Acc. F. & L.	2,254	767	34.03
	16,145	4,810	29.78
Yorkshire Group			
London & Prov.	2,112	899	42.57
Yorkshire Insur.	21,542	8,075	37.48
	23,654	4,974	21.03
(B)—Individual Companies:			
Aetna Life	169,549	105,552	62.25
Canada Acc.	5,178	2,565	49.54
Candn. General	38,419	22,519	58.61
Comm. Union	5,178	22,565	49.54
Confederation L.	193,493	127,941	66.12
Econ. Mutual	117,124	58,378	49.84
Gen. Cas. of Paris	4,171	2,876	68.95
Halifax	1,277	352	27.56
Imperial Insur.	85	2	2.35
Lond. Gr. & Acc.	20,669	11,260	54.48
London Life	558,686	366,398	65.58
Loyal Protective	206,187	82,267	39.90
Maryland Cas.	6,283	15,594	246.60
Metropol. Life	884,258	586,367	66.31
Mutual Life	3,384	2,469	71.96
Mutual Benefit Health	756,666	322,779	42.65
North. Amer. Acc.	59,218	16,251	27.46
Occidental L.	1,667	631	87.85
Ocean Acc.	5,178	2,565	49.54
Protective Assoc.	342,342	255,349	74.59
Phoenix Assur.	15,391	2,977	19.34
Prudential Assur.	23,931	7,981	33.35
Prudential Insur.	12,212	2,198	67.13
Sun/Insur. Office	5,398	559	10.36
Toronto Gen.	29,298	12,648	43.17
Union Assur.	26,929	21,237	78.83
Union Marine	5,003	1,729	34.56
Grand totals, 1940	3,542,578	2,054,644	58.00
1939	3,091,098	1,848,076	59.79

Personal Property

(Dominion Licensed Companies)

	Net prems. written $	Net losses incurred $	Ratio %
British-Amer.-Western			
British America	21,981	4,532	20.62
Western Assur.	34,541	7,115	20.60
	56,522	11,647	20.60
Canadian General			
Canadian General	50,572	15,523	30.69
Toronto General	16,453	7,337	44.59
	67,025	22,860	34.10
Commercial Union			
Canada Acc.	24,660	4,402	17.83
Comm. Union	26,914	4,436	16.48
Union Assur.	26,419	5,141	19.46
	77,993	13,979	17.92
North British			
North British	35,111	13,035	37.13
Rly. Passengers	3,755	550	14.65
	38,866	13,585	34.95
Northern			
Northern Assur.	12,952	1,282	9.90
World Marine	1,173	35	2.98
	14,125	1,317	9.32
Phoenix of London			
London G. & A.	20,279	9,588	47.28
Phoenix Assur.	48,068	48,737	101.43
Union Marine	11,829	6,470	54.70
	80,176	64,815	80.84
Royal Liverp'l L. & G.			
Liverp'l & L. & G.	48,026	12,536	26.10
Royal Insur.	62,959	17,767	28.22
	110,985	30,303	27.30
(B)—Individual Companies:			
Aetna Insurance	121,895	37,685	30.92
Agricultural	7,067	932	13.19
Alliance Insur.	78,745	40,358	51.25
Amer. Alliance	4,442	1,085	24.43
Atlas	28,850	16,562	57.41
Acadia	6,052	2,848	47.06
Auto Insurance	24,309	5,646	23.23
American Ins.	1,893	730	38.56
Boston	5,280	1,889	35.78
British Crown	574	......	....
British Law	7,778	1,375	17.68
British N'western	16,846	3,561	21.08
British Oak	4,027	1,798	44.65
Caledonian	7,971	472	5.92
Canada Security	11,542	3,720	32.23
Canadian Fire	5,927	1,937	32.68
Canadian Indem.	12,868	4,324	33.60
Can. Surety	11,614	1,093	9.41
Century	3,690	728	19.68
Columbia	2,017	949	47.05
Connecticut	32,399	10,842	33.46
Cont. Insurance	23,010	7,632	33.17
Dom. of Can. Gen.	30,472	......	....
Eagle Fire	1,179	9	0.76
Eagle Star	9,454	1,522	16.10
Econ. Mutual	3,574	105	2.94
Employers' Liab.	59,297	9,033	15.23
Equitable Fire	6,480	2,168	33.46
Federal Ins.	4,599	67	1.46
Fidelity Ins.	14,342	3,001	20.92
Fidelity-Phoenix	32,277	11,712	36.29
Fire Assoc.	8,622	2,524	29.27
Fireman's Fund	91,065	96,987	106.70
First American	396	310	78.28
Gen. Acc. of Can.	19,416	7,739	39.86
Gen. Cas. of Paris	2,610	1,990	76.25
Gen. Acc. F. & L.	30,445	9,289	30.51
Gen. Ins. of Amer.	13,275	2,146	16.17
Glen Falls	24,257	7,655	31.56
Globe Indemnity	11,429	3,133	27.41
Gore District	3,563	189	5.30
Great American	42,527	9,761	22.95
Guardian Assur.	7,128	117	1.64
Guard. Insurance	8,571	—18	....
Guildhall	20,023	4,407	22.01
Halifax	9,697	130	1.34
H'ware Dealers	3,849	2,135	55.47
Hartford Fire	14,835	1,146	9.75
Home Insurance	83,568	34,673	41.49
Indemnity Mar.	16,497	4,649	19.73
Imperial Ins.	6,475	869	10.02
Ins. of N. Amer.	126,791	32,875	25.93
Law Union	731	......	....
Legal & General	14,036	982	7.00
London-Canada	517	135	26.11
Lon. & Lanc. Ins.	45,044	8,915	19.79
London Assur.	17,291	3,644	21.07
London & Prov.	2,127	175	8.23
London & Scott.	903	81	8.97
Marine	11,648	10,058	86.35
Maryland Insur.	1,319	604	45.79
Milwaukee Mech.	19,148	2,980	15.56
Minnesota Imple.	3,849	2,135	55.47
Nat. Union Fire	6,691	1,788	26.72
Nat. Ben. Frank.	22,311	4,750	21.29
New Y. Under.	1,912	233	12.19
Niagara Fire	3,000	551	18.37
North Empire	4,035	1,899	47.06
North River	1,340	16	1.19
Norwich Union	42,963	7,115	16.56
N'western Mutual	8,620	968	11.23
Ocean Accident	32,669	9,075	27.78
Ohio Farmers	4,255	383	9.00
Pacific Coast	3,077	644	20.93
Pacific Fire	6,436	597	9.28
Patriotic	393	31	7.89
Pearl	18,632	4,458	23.93
Philadelphia Fire	1,361	565	41.51
Phoenix of Hart.	53,690	17,967	33.46
Provid. Washing.	6,166	2,742	44.47
Pruden. Assur.	38,119	9,306	24.41
Royal Exchange	16,334	2,253	13.79
Scottish Metro.	741	8	1.08
Scottish Union	7,048	518	7.35
Sea	3,731	1,311	35.14
St. Paul Fire	59,680	28,337	47.48
Security Insur.	2,704	379	14.02
Sentinel	1,294	403	31.14
Sun Insurance	22,327	1,331	6.86
Springfield	50,453	15,702	31.12
Tokio	11,430	2,716	23.76
Travelers Fire	74,450	18,950	25.45
Union of Canton	22,417	2,113	9.43
United States F.	18,497	3,647	19.72
Wawanesa	1,019	319	31.30
Westchester	18,497	3,847	19.72
World F. & Mar.	5,972	585	9.80
Yorkshire	16,230	2,717	16.74
Totals, 1940	2,286,760	735,306	32.15
1939	1,616,595	571,159	35.27

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1809 **HALIFAX INSURANCE** 1941

One Hundred and Thirty-second Annual Statement — Balance Sheet

ASSETS—January 1st, 1941

Cash on deposit—Banks and Trust Companies			$ 820,487.06
Bonds and Stocks—Canadian Insurance Department Valuations			4,722,671.00
Interest Accrued			26,950.00
Balances (not over 90 days) payable by Agents			425,543.43
Balances payable by Reinsurers			33,894.85
Real Estate for use by Company			111,697.87
			$6,141,244.21

LIABILITIES—offsetting

Reserve against possible depreciation of Bonds, Stocks, etc.			$ 300,000.00
Reserve for Taxes			53,300.44
Reserve for Expenses due and accrued			13,684.41
Reserve for Contingent Commissions to Agents			35,083.47
Payable for Dividend declared for Shareholders			100,000.00
For Satisfaction and Protection of Policyholders, as follows:			
Reserve for Unearned Premiums—Canadian Insurance Department Standard		$1,071,277.00	
Reserve for Losses under adjustment		409,576.48	
Funds of Reinsurers, held under agreements		476,554.44	
CAPITAL (fully paid)	$2,000,000.00		
NET SURPLUS	1,681,767.97		
		$3,681,767.97	
			$5,639,175.89
			$6,141,244.21

BOARD OF DIRECTORS
HON. F. B. McCURDY, P.C., President
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J. H. WINFIELD
General Manager—ARTHUR C. BAILLIE

Plate Glass

	Net prems. written $	Net losses incurred $	Ratio %
Canadian Cos.:			
British America .	4,824	2,219	46.00
British Canadian .	3,921	1,435	36.60
British Empire ..	2,480	1,179	47.54
British N'western	3,391	1,197	35.30
Canada Accident .	11,456	5,115	44.65
Canada Security .	3,298	2,273	68.92
Canadian Fire ...	5,274	1,334	25.29
Candn. General .	18,850	10,822	57.41
Candn. Indemnity	19,520	8,958	45.89
Candn. Surety ...	9,124	5,027	55.10
Casualty	9,317	5,489	58.91
Consoldiated	3,963	3,369	85.01
Dominion Fire ..	5,050	4,183	82.83
Dom. of Can. Gen.	20,997	10,854	51.69
Economical	376	195	51.86
Federal Fire	8,754	5,963	68.12
Fidelity Insur. ..	9,263	3,671	39.63
Gen. Acc. of Can.	21,234	8,820	41.54
Globe Indemnity.	13,539	6,276	46.35
Gore District	343	None	....
Guardian Insur. .	13,275	7,336	55.26
Halifax	12,807	6,494	50.71
Hudson Bay	None	None	....
Imperial Gr. & A.	1,802	1,248	69.26
Imperial Insur. .	4,291	1,468	34.21
London & Lancashire Guarantee	11,685	5,217	44.65
Occidental Fire ..	897	378	42.14
Toronto General .	12,255	6,227	50.81
Wawanesa	3,140	1,792	57.07
Western	6,477	3,244	50.08
Totals, 1940	241,603	121,783	50.41
1939	223,366	108,502	46.58
British Companies:			
Alliance Assur...	—96	580	....
Anglo-Scottish ..	352	59	16.76
Atlas	6,125	1,961	32.02
Century	4,077	2,500	61.32
Comm. Union ...	3,397	1,759	51.78
Eagle Star	2,761	867	31.40
Employers' Liab.	17,416	8,255	47.40
Gen. Ac. F. & L.	5,694	3,760	66.03
Guildhall	2,293	1,158	50.50
Law Union & Rk.	3,739	1,800	48.14
Legal & General	10,491	6,440	61.39
Liv. & Lon. & G.	1,504	697	46.34
London & Prov..	1,182	606	51.27
London & Scottish	1,276	623	48.82
London Assurance	788	439	55.71
London G'rantee	6,304	2,356	37.37
Motor Union	2,652	913	34.43
Nat'l. Provincial .	17,461	6,906	39.55
North British ...	4,834	1,988	41.13
Northern	10,763	4,761	44.23
Norwich Union .	13,421	6,603	49.20
Ocean Accident.	60,851	25,531	41.96
Phoenix Assur...	7,428	3,963	53.35
Prudential Assur.	9,985	5,124	51.32
Queensland	564	None	....
Rly. Passengers.	3,676	1,097	29.84
Royal Insurance.	12,815	5,941	46.36
Scottish Met. ...	1,715	429	25.01
South British ..	None	None	....
Southern	908	167	18.39
Sun	1,993	686	34.42
Union Assurance	2,928	999	34.12
Union of Canton	12,053	4,380	36.34
Union Marine ...	2,602	1,025	39.39
World Marine ..	4,555	1,518	33.33
Yorkshire	6,660	3,268	49.07
Totals, 1940	245,167	109,159	44.52
1939	205,060	89,761	43.77
Foreign Companies:			
Comm. Casualty.	472	153	32.48
Continental Cas.	6,354	4,312	67.86
Fidelity & Cas...	—34	None	....
Gen. Cas. of Am.	5,234	2,097	40.06
Gen. Cas. of Paris	8,559	4,662	54.47
Grt. Amer. Ind..	6,432	2,485	38.63
Hartford Accid...	5,362	3,380	63.04
Indemnity Insur.	4,902	4,106	83.76
Lumbermen's M.	3,869	1,329	34.35
Maryland Cas. ..	7,084	2,552	36.02
Metropol. Cas. ..	13,519	7,868	58.20
Northwest Cas.. .	2,658	1,381	51.96
Travelers Indem.	11,017	4,993	45.32
U. S. Fid. & Gr.	7,537	3,738	49.60
Zurich	6,098	2,734	44.83
Totals, 1940	89,063	45,790	51.41
1939	85,264	39,496	46.32
Grand Totals, 1940	575,833	276,782	48.06
1939	513,690	237,759	46.28
(Provincial Licensed Companies)			
Hand in Hand...	2,564	2,031	4.42
Pilot	4,223	3,977	21.77

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Fidelity

(Dominion Licensed Companies)

(A)—Group Experience:

	Net prems. written $	Net losses incurred $	Ratio %
Br. Am. Western			
British America.	7,049	1,712	24.29
British Canadian.	2,325	605	26.02
British Empire ..	1,438	236	16.41
Imperial G. & A.	47,121	9,356	19.86
Western Assur. .	6,052	1,227	20.27
	63,985	13,136	20.52
Canadian Surety			
Canadian Surety.	70,000	20,082	28.69
American Surety.	18,855	3,741	19.84
Anglo-Scottish ..	349	......	....
	89,203	23,823	26.70
Canadian Fire			
Canadian Fire ..	10,552	2,493	23.63
Canadian Indem.	98,604	22,290	22.61
	109,156	24,783	22.70
Canada General			
Can. General	37,312	3,050	8.13
Toronto General	21,258	8,995	42.31
	58,870	12,045	20.63
Dominion of Canada			
Casualty Co.	1,735	—209	....
Dom. of C. Gen.	59,561	19,748	33.16
	61,296	19,539	31.87
London & Lancashire			
Law Union & Rk	126	475	376.98
London & Lanc.	7,966	5,379	67.52
	8,092	5,854	72.34
North British & Mercantile			
North Br. & Mer.	3,119	406	13.02
Rly. Passenger .	2,722	508	18.66
	5,841	914	15.64
Northern			
Northern Assur..	3,278	—62	....
Scottish Metro. .	727	— 4	....
World Mar. & G.	840	......	....
	4,845	—66	....
Norwich Union			
Canada Security.	7,279	1,067	14.66
Norwich Union .	11,543	—614	....
	18,822	453	2.40
Phoenix of London			
Lond. G. & Acc.	25,077	9,928	39.59
Phoenix Assur. .	6,310	12,585	199.45
Union Marine ..	1,424	189	13.27
	32,811	22,702	69.31
Royal, Liverpool & London & Globe			
Globe Indemnity	26,482	488	1.84
Liverpool L. & G.	3,807	26	0.68
Royal Insurance.	38,785	—7,965	....
	69,074	—7,451	....
Sun			
Sun Insur. Office	707	120	16.97
Imperial Ins. Off.	255	......	....
	962	120	12.47
U. S. Fidelity			
Fidel. Ins. of Can.	44,204	14,729	33.32
U.S. Fidel. & G.	223,825	74,044	33.08
	268,029	88,773	33.12
Yorkshire			
London & Prov..	303	—20	....
Yorkshire	2,554	—308	....
	2,857	—328	....
(B)—Individual Companies:			
Alliance Assur. .	—7	619	....
Canada Accident	8,183	—2,373	....
Century Insur. .	2,010	947	47.11
Commercial Cas..	7,956	......	....
Consolidated	949	—4	....
Employers' Liab.	76,573	25,326	33.07
Employ. Reinsur.	2,235	......	....
Fidelity & Cas...	128	......	....
Gen. Acc. of Can.	30,806	9,863	32.02
Gen. Cas. of Paris	11,328	298	2.63
Gen. Reinsurance	1,564	......	....
Grain Insur.	63,983	13,767	21.52
Gt. Amer. Indem.	5,300	3,876	73.13
Guar. Co. of N. A.	85,934	22,858	26.60
Guardian of Can.	21,436	9,927	46.31
Halifax	—962	943	....
Hartford Acc. ...	1,853	45	2.43
Indem. Insur. ...	28,970	67,728	233.79
Int'l. Fidelity ...	6,162	—295	....
Liberty Mutual .	1,218	......	....
Maryland Cas. ..	9,097	1,548	17.02
Metro. Casualty.	1,357	......	....
National Surety .	......	—649	....
(B)—Individual Companies:			
Ocean A. & Guar.	23,009	5	0.02
Pearl	5,157	1,486	28.82
Prudential	3,509	—1,325	....
Royal Exchange .	30,911	8,714	28.19
Union of Canton	15,542	—269	....
Grand totals, 1940	1,237,945	367,332	29.67
1939	1,229,628	289,348	23.53

Surety

(Dominion Licensed Companies)

(A)—Group Experience:

	Net prems. written $	Net losses incurred $	Ratio %
British America-Western			
British America .	9,557	14	0.15
British Canadian .	2,130	6	0.28
British Empire ..	2,675	27	1.01
Imp. Guar. & A.	5,669	—510	....
Western Assur. ..	7,228	—138	....
	27,259	—601	....
Canadian Surety			
American Surety.	10,277	—327	....
Canadian Surety .	73,019	—5,774	....
	83,296	—6,101	....
Canadian Fire			
Canadian Fire ...	13,483	328	2.43
Can. Indemnity .	69,361	—4,545	....
	82,844	—4,217	....
Canadian General			
Canadian Gen. ..	97,540	—7,286	....
Toronto General .	47,926	—7,377	....
	145,466	—14,663	....
Dominion of Canada			
Cas. Co. of Can. .	1,766	1,431	81.03
Dom. of Can. Gen.	9,688	1,922	19.84
	11,454	3,353	29.18
London & Lancashire			
Law Union & Rk.	130	......	....
Lond. & Lanc. Gr.	9,238	—24,403	....
	9,368	—24,403	....
Northern			
Northern Assur. .	2,369	768	32.42
Scottish Metrop. .	188	......	....
World Marine ...	18	—1	....
	206	—1	....
Northern British & Mercantile			
North Brit. & M.	836	......	....
Rly. Passengers .	429	......	....
	1,265	......	....
Norwich Union			
Canada Security .	1,256	320	25.48
Norwich Union ..	8,669	2,119	24.44
	9,925	2,439	24.57
Phoenix of London			
London G. & A. .	24,733	—106	....
Phoenix Assur. ..	5,751	—2	....
Union Marine ...	1,297	—467	....
	31,781	—575	....
Royal Liverpool L. & G.			
Globe Indemnity	6,343	—38	....
Liverp'l. L. & G.	705	—243	....
Royal Insurance .	8,908	—37	....
	15,956	—318	....
Sun			
Sun Insurance ...	433	......	....
Imperial Ins.	140	......	....
	573	......	....
U. S. Fidelity			
Fidel. Ins. of Can.	19,653	3,424	17.42
U. S. Fidel. & G.	116,320	37,693	32.40
	135,973	41,117	30.24
(B)—Individual Companies:			
Aetna Casualty .	39,319	16,542	42.07
Alliance Assur. ..	100	......	....
Anglo-Scottish ..	81	......	....
Canada Accident .	12,775	2,036	15.94
Can. Mercantile .	509	......	....
Century Insce. ..	1,141	—41	....
Commercial Cas..	1,106	......	....
Commerce Mutual	755	......	....
Consolidated	1,087	......	....
Employers' Liab..	28,325	—307	....
Employ. Reinsur.	4,125	—5,333	....
Fidelity & Cas. ..	293	......	....
Gen. Acc. of Can.	28,968	1,688	5.83
Gen. Cas. of Paris	507	—414	....
Gen. Reinsurance	277	......	....
Gt. Am. Indem. .	169	......	....
Guar. of N. A. ..	14,169	......	....
Guardian of Can.	9,663	902	9.33
Halifax	5,955	1,000	16.79
Hartford Acc. ...	2,326	......	....
Indemnity Ins. ..	1,244	......	....
Maryland Cas. ..	1,698	—11	....
Metro. Casualty .	178	......	....
National Surety ..	1,354	—2,966	....
Ocean A. & Guar.	7,086	872	....
Pearl	10,764	......	....
Prudential Assur.	601	—18	....
Royal Exchange .	19,382	3,557	18.35
Union Canton ...	862	......	....
Yorkshire	649	80	12.33
Grand totals, 1940	753,203	14,385	1.91
1939	754,359	—97,397	....

Fire Insurance Experience

(Continued from page 12)

(A)—Group Experience:	Net Prems. Written $	Net Prems. Earned $	Net Losses Incurred $	Ratio of losses incurred to prems. earn. 1940 %	1939 %	Ratio of losses incurred incl. adjust. expenses as % of prems. earned 1938 %	1937 %	1936 %
Mutual Companies								
(A)—Group Experience								
42—Wawanesa Mutual Group:								
Wawanesa Mutual	1,353,281	1,324,413	523,625	39.54	34.93	39.06	37.04	43.34
Wapiti	. . . ..	......	......	....	13.39	39.90	53.01	38.87
Total	1,352,281	1,324,413	523,625	39.54	32.35	39.08	37.71	43.09
43—Ontario Cash Mutuals Group:								
Economical Mutual	447,853	396,060	147,328	37.20	58.59	42.51	30.16	36.53
Gore District Mut.	455,600	422,280	170,017	40.26	37.78	40.24	31.68	31.89
Perth Mutual*	209,414	202,471	65,619	32.41	38.84	31.76	34.79	38.13
Waterloo Mutual*	349,364	340,781	133,646	39.22	48.00	44.27	38.64	38.56
Total	1,462,231	1,361,592	516,610	37.94	46.74	41.98	31.42	35.87
*Provincial licensed company; official figures.								
44—Hardware Mutual Group:								
Hardware Dealers Mut.	312,117	302,695	86,538	28.59	34.00	31.27	32.53	26.16
Minnesota Implement ..	331,604	319,102	84,983	26.63	33.65	31.62	32.57	26.74
Hardware Mutual	—1,982	1,532	......	....	29.53	31.00	33.33	25.77
Total	641,739	623,329	171,521	27.52	32.67	31.29	33.14	26.22
45—Individual Companies:								
Northwestern Mutual ..	760,471	723,757	202,382	27.96	30.85	30.38	24.72	21.70
Equitable Fire	318,941	287,035	149,246	—52	63.95	....	....	....
Commerce Mutual	498,915	445,918	185,782	41.66	41.56	46.02	48.05	30.34
Standstead & Sherbrooke*	414,870	360,307	166,984	—46	54.90	34.97	49.97	33.99
Portage la Prairie	343,598	336,353	173,826	51.86	48.17	41.49	....	....
Can. Mercanitle	387,323	325,811	136,739	41.97	42.63	51.24	....	....
Millowners Mut. of Iowa	260,426	254,865	63,411	24.88	45.67	24.32	29.45	19.91
United Mutual	129,771	143,178	72,094	50.35	33.92	57.40	31.61	16.98
Lumber Mutl. of Boston	80,120	76,023	37,173	48.90	22.67	45.63	28.14	52.52
Central Manufact. Mutl.	69,211	70,721	46,449	65.68	19.09	53.34	28.08	36.96
Indiana Lumbermen's ..	67,141	66,000	27,986	42.40	26.05	55.98	32.24	44.82
Pennsylvania Lumber ..	65,544	63,483	23,826	37.53	29.54	50.23	36.51	27.22
Ohio Farmers	39,981	44,091	3,658	8.30	36.09	19.08	22.12	24.44
Kings Mutual	47,636	47,722	19,571	41.01	62.06	80.84	55.14	50.48
Lumber. Mut. of Mansf.	50,228	48,215	19,378	40.19	29.38	55.47	30.96	37.79
Retail Lumbermen's ...	30,891	19,736	3,268	16.56	....	12.00	106.65	26.85
Pictou County Mut.	8,310	9,213	5,743	62.34	49.06	28.13	79.17	16.93
Antigonish Farm. Mut. .	5,141	4,641	7,180	154.71	127.22	95.80	141.24	87.12
Cumberland Farm. Mut.	3,681	3,698	5,525	149.49	95.00	52.21	100.28	150.76
Pilot Reinsurance	......	......	......	....	....	14.60	20.27	....
Total Individ. Mut. Cos.	3,582,199	3,726,179	1,534,469	41.21	43.02	39.63	35.47	36.75
Total Mutual Cos.	7,039,450	7,081,125	2,739,496	38.69	40.44	38.63	35.47	36.75
*Provincial licensed company; official figures.								
46—(C)—New England Factory Mutuals:								
American Mutual	28,015	20,661	3,467	16.78	28.77	38.57	53.77	79.65
Arkwright Mutual	46,372	42,313	7,209	17.04	....	21.27	42.46	72.48
Blackstone Mutual	76,772	57,248	8,867	15.49	40.45	35.34	54.32	60.08
Boston Manufacturers .	58,807	52,359	8,311	15.87	392.19	22.10	33.11	308.47
Cotton & Woollen Mfrs.	11,162	11,717	1,633	13.94	845.23	16.83	46.62	168.41
Enterprise Mutual	28,015	20,661	3,467	16.78	28.77	38.57	53.77	79.65
Fall River	14,561	12,900	2,141	16.60	....	24.68	60.63	....
Firemen's Mutual	69,752	70,869	8,064	11.38	9.91	21.88	115.81	16.73
Hope Mutual	......	......	......	....	49.20	25.12	39.05	70.63
Industrial Mutual	5,531	5,855	816	13.94	845.39	16.83	46.61	169.82
Manufacturers Mutual ..	46,691	34,435	5,778	16.78	28.77	38.57	53.77	79.57
Mechanics Mutual	28,015	20,661	3,467	16.78	28.77	38.57	53.77	79.64
Merchants Mutual	......	......	......	....	....	....	....	57.66
Mill Own. M. of Chicago	8,257	8,323	761	9.14	81.12	18.88	52.11	43.23
Paper Mill Mutual	......	......	......	....	....	18.58	37.54	91.28
Philadelphia Mfrs.	20,007	15,665	2,228	14.22	36.31	16.77	16.48	....
Protection Mutual	12,386	12,490	1,141	9.14	81.14	14.79	48.70	67.22
Rhode Island Mutual ...	46,691	34,435	5,778	16.78	28.77	38.57	53.77	79.57
Rubber Manufacturers..	11,182	11,717	1,633	13.94	843.59	16.83	46.62	168.41
State Mutual	56,030	41,324	6,933	16.78	28.78	38.75	53.77	79.62
What Cheer Mutual	34,943	29,823	4,247	14.24	49.20	25.12	39.05	70.68
Worcester Mfrs.	16,113	14,452	2,141	14.81	....	22.80	50.58	129.11
Total New England Mut.	619,382	517,911	78,082	15.08	50.29	27.28	48.64	94.44
Grand Total Mutual Cos.	7,658,832	7,599,036	2,817,578	37.08	....	....	....	....
Non-Board Companies								
(A)—Group Experience:								
47—Shaw & Begg Group:								
Consolidated	123,384	114,686	40,228	35.08	41.40	38.17	34.21	57.32
Bankers & Shippers ...	73,184	74,552	26,794	35.94	30.48	58.75	42.72	43.92
Federal Fire	230,444	268,419	78,224	29.14	41.90	41.32	41.45	45.13
Jersey Insurance	52,038	56,893	14,177	24.92	31.52	40.56	34.44	41.78
Lumbermen's Insurance.	67,692	70,344	51,215	72.81	29.53	25.89	56.88	50.65
Merchants' Fire Assur. .	147,899	155,326	45,473	29.28	26.95	35.45	29.20	29.23
Millers National	97,335	108,184	58,631	54.20	65.66	48.54	48.32	42.70
Pacific Fire	124,742	129,266	65,702	50.83	23.80	92.84	43.83	33.66
Wellington	268,292	257,237	89,958	34.97	39.68	42.15	31.62	36.47
Total	1,185,010	1,234,907	470,402	38.09	37.31	45.86	35.53	40.23
48—Massie & Renwick Group:								
Dominion Fire	297,914	293,261	78,442	26.75	30.55	29.35	27.76	27.23
Ensign Insurance	69,201	67,294	20,339	30.22	31.18	31.95	27.51	32.79
Firemen's Ins.	173,611	164,432	53,358	32.45	30.64	46.36	42.07	32.04
Girard Fire & Marine ..	29,077	30,058	5,971	19.86	24.70	35.54	48.67	39.12
National Ben Franklin ..	137,600	136,751	50,646	37.04	28.47	32.57	38.70	34.80
Northwestern National .	139,547	136,690	66,312	48.15	28.06	31.70	36.68	24.81
Total	846,950	828,486	275,068	33.20	29.63	33.89	34.68	29.91
49—Corroon & Reynolds Group:								
Merchants & Manufac .	177,067	189,056	102,470	54.20	68.55	64.17	68.92	35.82
American Equit. of N. Y.	200,391	217,113	124,111	57.16	58.41	68.82	45.10	68.24
New York Fire	200,166	202,858	82,227	40.53	52.48	84.21	52.73	46.67
Total	577,624	609,027	308,806	50.71	59.89	71.29	55.02	51.19
50—J. E. Clements Inc. Group:								
Fire Ins. of Canada	305,396	285,654	117,344	41.05	45.81	48.60	42.17	41.51
Excess	50,954	49,826	16,539	33.19	36.93	50.98	51.89	17.87
Nationale of Paris	216,850	337,329	168,095	49.83	56.28	48.49	41.64	34.17
Total	573,200	673,009	301,978	44.87	51.00	66.00	42.36	36.35
51—Willis Faber Group:								
Provincial Ins.	311,429	317,008	186,208	58.74	53.12	47.17	38.09	41.22
Cornhill Ins.	204,319	202,033	98,590	48.80	44.76	50.78	44.77	38.14
Total	515,748	519,041	284,798	54.87	49.87	48.37	39.78	41.40
52—General Accident Group:								
General Acc. of Canada	87,506	85,958	31,913	37.13	28.50	37.28	30.80	28.56
General Acc. F. & L. ..	290,647	297,722	78,712	26.44	34.55	43.54	29.78	41.90
Scottish Canadian	51,825	54,847	14,364	26.19	30.58	41.58	32.69	45.67
Total	429,978	438,527	124,989	28.50	32.67	42.13	30.41	....
53—Canadian Fire Group:								
Canadian Fire	312,553	320,641	100,821	31.44	23.65	26.35	26.18	23.29
Canadian Indemnity ...	109,345	106,026	35,753	33.72	25.71	29.11	29.50	25.90
Total	421,898	426,667	136,574	32.01	24.21	27.11	27.04	23.98
54—Canadian General Group:								
Toronto General	216,424	195,509	64,471	32.98	43.19	43.15	31.89	36.08
Canadian General	216,424	195,509	64,470	32.98	43.26	43.32	31.87	37.81
Total	432,848	391,018	128,941	32.98	43.23	43.23	31.88	36.85
55—Dominion of Canada Group:								
Casualty Co. of Canada .	47,947	43,426	9,687	22.31	25.56	34.98	24.70	15.05
Dom. of Canada Gen. ..	189,740	185,771	50,719	27.30	23.78	26.08	20.99	23.95
Total	237,687	229,197	60,406	26.36	24.11	27.63	21.61	22.51
56—S. Meunier Group:								
Rossia Insurance	......	......	......	....	....	62.06	33.16	21.36
Northeastern	69,582	71,804	28,073	39.10	47.39	....	....	....
Metropolitan Fire	17,041	21,559	8,740	40.54	42.59	59.80	23.47	30.13
Total	86,623	93,363	36,813	39.43	45.96	61.19	33.28	24.87
57—P. J. Perrin Group:								
Globe & Republic	65,209	82,649	38,547	46.64	151.00	....	....	....
La Fonciere	—52,070	177,552	85,313	48.05	69.01	57.33	47.59	34.66
Sussex Fire	......	......	......	....	78.88	78.33	49.64	36.98
Total	13,139	260,201	123,860	47.60	76.72	63.10	48.22	35.31
(B)—58—Individual Companies:								
Helvetia Swiss	184,999	182,954	111,377	60.88	71.12	69.53	....	....
Grain Ins. & Guar.	442,619	477,610	81,344	17.03	14.97	36.56	21.22	21.64
Bankers & Traders .. .	30,275	31,710	9,675	30.51	26.13	20.59	38.43	13.35
Nat. Retailers	56,489	46,580	11,613	24.93	19.10	73.21	....	....
General of America	199,120	177,077	42,056	23.75	27.28	52.28	34.49	45.66
Queensland	7.410	8.435	1.887	22.37	52.59	24.58	45.52	29.47
Tokio Marine & Fire ..	23,102	29,062	5,458	18.78	57.59	65.51	40.97	37.48
Union of Paris	236,816	320,629	145,778	45.47	51.95	77.83	48.62	49.04
Halifax Fire	522,808	389,788	156,165	40.06	46.69	42.94	29.99	33.22
American Reserve	117,044	110,896	52,419	47.27	61.16	59.66	51.53	49.93
American Home Fire ..	80,348	95,147	50,777	53.37	57.73	57.06	54.71	54.93
Missisiquoi & Rouville	128,506	128,086	66,697	52.07	....	....	....	19.60
Baloise Fire	108,780	120,637	61,576	51.04	48.83	48.42	57.62	47.38
Buffalo	9,001	3,194	2,500	78.27	....	....	....	....
International	849,809	397,397	187,269	47.12	62.94	89.50	61.08	45.63
Federal Insurance	23,906	8,795	947	10.77	....	....	....	....
Milwaukee Mechanics' .	132,248	90,000	36,912	41.01	13.63	....	....	....
Pilot*	42,904	37,828	12,229	32.33	29.57	42.52	23.28	26.87
Commerce Ins.	—3,064	766	47	6.14	27.88	31.02	43.78	63.87
Automobile	358	251	......	....	6.04	....	7.69	8.86
North Star	91,093	74,119	35,877	48.40	46.84	78.85	54.91	54.37
Scottish Insurance	37,190	18,085	5,653	31.26	....	....	....	....
Switzerland	149,598	228,961	108,633	47.45	59.67	55.70	48.18	23.56
Clare Mutual	1,826	1,097	25	2.28	....	....	....	....
Providence of Paris	—38,650	95,042	66,202	69.66	57.03	70.93	53.06	51.45
Total	3,434,335	3,074,146	1,253,116	40.76	50.71	52.90	41.21	39.96
Total Non-Board Joint Stock	8,755,040	8,777,589	3,505,753	39.94	45.93	....	....	....
*Provincial licensed company; official figures.								
Reciprocal Companies								
59—Lumbermen's Und. Alliance:								
Inter Insurers Exch. ...	......	......	......	....	....	....	....	2.79
Lumbermen's U. Allian.	113,503	112,272	75,130	66.92	47.78	14.92	67.09	80.55
Underwriters' Exchange	7,889	7,502	3,140	41.86	28.63	1.82	....	4.57
Total	121,391	119,774	78,270	65.35	46.60	14.17	62.28	76.93
60—Associated Reciprocal Underwriters Group—Ernest W. Brown, Inc.:								
Affil. Underwriters	124,306	116,932	33,709	28.83	24.73	77.45	21.68	96.38
Fireproof Sprinklered ..	9,897	7,061	360	5.10	3.23	1.94	7.71	8.66
Individual Underwriters	79,798	73,269	2,645	3.61	22.57	36.17	25.07	27.27
Metropolitan Inter-Ins. .	46,221	44,103	2,362	5.36	6.16	48.32	28.86	44.85
N. Y. Reciprocal	56,817	50,306	2,640	5.25	23.97	9.27	5.82	11.84
Total	317,039	291,671	41,716	14.30	20.56	47.65	19.97	50.89
61—Canners Exchange:								
Canners Exchange	33,347	31,492	125	.40	....	272.09	2.28	28.43
Warner Reciprocal	2,406	2,258	228	10.10	.27	....	....	....
Total	35,753	33,750	353	1.05	....	254.54	2.17	27.51
61—Individual Companies:								
American Exchange U. .	22,587	20,641	1,027	4.98	59.61	5.24	19.92	1.10
Total reciprocals	496,770	465,836	121,366	26.05	....	....	....	....
62—Lloyd's Underwriters:								
	1,577,444	1,604,132	1,055,771	65.79	....	....	....	....
Grand Total Fire Co's.	45,187,182	45,017,636	17,139,215	38.07	38.36	42.94	36.98	36.32

Fleet Aircraft Ltd. Plans Repair Unit

From Our Own Correspondent

MONTREAL.—Fleet Aircraft Ltd. will start work shortly on an airplane overhaul and repair plant adjacent to the Crumlin airport near London, Ont. The plant will cost more than $1 million and is expected to employ at least 1,000 men.

The new plant, it is said, will replace a previously projected airplane manufacturing depot which was to have cost $3 millions or more. Changing circumstances, however, brought a revision of original plans.

Life Insurance

Canadian Companies Group Business Up

Increase Shown in Total in Force and New Sales — British and United States Companies Also Have More Group Insurance in Canada

Total group insurance in force with the Canadian life insurance companies at home and abroad at the end of 1940 showed an increase of $54 millions to $779.1 millions, a gain of less than 7%. New insurance effected at $43 millions was about 5% higher than in the previous year.

Nine of the 15 companies writing group insurance in 1940 showed increases over the amount written in the previous year, while 15 of 21 companies which have group insurance on their books showed a larger amount in force at the end of 1940 than at the end of 1939.

Sun Life of Canada came first in volume of group insurance in force and new group insurance written. Canada Life was second and Great West Life third. London Life was a close fourth. The London Life's group business, like its other business, is almost entirely in Canada.

The Prudential of London is the only British company to write group insurance in this country. At the end of 1940 it had $1.3 million in force here, a gain of $327,000. It commenced writing life insurance in Canada in 1930.

A number of United States companies write a large volume of group insurance here. At Dec. 31 they had $255.5 millions in force in this country, a gain of over $12 millions or about 5%. The volume of new group insurance written was slightly lower at $5.2 millions. The Metropolitan leads the United States companies in group insurance in force in Canada with over $107 millions and the Aetna coming next.

Comparative figures for the total business of Canadian companies and for the Canadian business of British and United States companies follow:

GROUP INSURANCE EXPERIENCE

(A)—Canadian Companies:	Total Business in Force (Net) 1940 $	1939 $	Total New Business (Net) 1940 $	1939 $
Sun Life	508,706,825	471,764,095	26,921,411	23,887,135
Canada Life	90,432,560	88,507,039	6,123,833	1,587,006
Great West	49,764,608	43,214,351	3,541,466	880,125
London	45,999,319	42,587,974	2,849,889	3,063,851
Confederation	29,080,822	26,613,710	2,226,517	2,392,349
Mutual	15,705,162	14,338,429	728,417	2,847,500
Manufacturers	12,018,386	11,684,575	694,380	555,495
Dominion	6,029,041	6,202,666	115,500	124,000
Imperial	5,688,225	4,010,310	800,482	564,500
Montreal	3,643,372	4,077,430	30,000	1,546,789
North American	3,428,660	3,300,006	170,500	498
Northern	2,723,250	2,480,500	537,000	229,600
Commercial	2,205,169	2,182,384	......	......
National	1,713,922	3,390,948	......	......
Crown	1,410,161	687,520	309,559	15,000
Dom. of Canada	226,675	234,888	56,000	......
Maritime	132,000	50,082	32,500	90,750
Saskatchewan	86,000	89,000	......	......
Continental	73,000	69,000	......	......
Empire	23,000	......	......	......
Equitable	......	90,000	......	......
Total Canadian Cos.	779,107,157	725,583,907	42,137,494	37,784,393
(B)—British Companies—Canadian Business Only:				
Prudential	1,367,500	1,040,500	300,000	......
(C)—U. S. Companies—Canadian Business Only:				
Metropolitan	107,390,535	101,834,607	2,110,060	1,888,017
Aetna	93,635,993	90,494,018	977,150	2,735,007
Travelers	35,167,715	32,217,809	1,399,200	1,781,500
Prudential	16,943,432	15,930,250	494,000	18,500
Equitable	2,146,600	2,548,000	......	......
Occidental	234,786	297,686	247,248	377,501
Total U. S. Cos.	255,519,061	243,122,370	5,227,658	6,800,525

Industrial Plan Gets Support

Suggestions made by Commissioner Sumner T. Pike of the Securities and Exchange Commission in the United States that industrial insurance might with advantage be eliminated do not meet with the approval of Superintendent of Insurance Pink of New York State.

Claiming that the public social security programme in the United States had come rather late, Mr. Pink thought it yet too early to know whether it would have any effect on industrial insurance or not. He believed it might make it to some extent less necessary, but on the other hand, he felt it might encourage the idea of insurance and so promote its growth. He continued:

"We have always considered that if Industrial insurance is to have an heir it will be group insurance. This is the cheapest form, but so far has been available only to employees in large establishments. It is probable that this form of insurance will be greatly extended and in time to come, may to some extent, displace Industrial insurance as we know it today. In any event, Industrial insurance is now performing a useful function and there are no indications that any of the remedies proposed will supplant it in the near future."

Lapse Rates Reduced

In weekly premium insurance, he proceeded, the lapse rate has been reduced in the 1935-39 period from 42% to 26% and in monthly premium insurance from 32% to 23%. This reduction he described as most encouraging to those interested in industrial insurance. He stated it was an indication not only that the condition of the working people has improved but that industrial insurance is better sold and serviced. In 1940 the cancellation rate based on premiums in weekly premium department of the Metropolitan, he said, was 7.3% and upon new business for the same year 10.9% the best record in the history of the company.

Insurance Reports

Gore District

Premium income of $618,027 from all sources is reported by the Gore District Mutual Fire Insurance Co. for 1940. This was an increase of $133,362 over the 1939 figures, the previous high record. Losses and adjustments at $247,330 were also higher than in the previous year.

Total assets were $185,000 higher, the increase being mainly in securities. Reserves were about $50,000 higher.

The company during the year subscribed for $200,000 of the first and second war loans and were allotted $130,000.

	1940 $	1939 $
Prem. inc.	618,027	484,665
Losses & adjust.	247,330	191,102
Total assets	2,792,748	2,607,579
Securities	2,327,228	2,146,187
Cash	100,266	105,287
Mortgages	182,805	184,654
Agents bal.	55,937	43,651
Res. unearned prems.	332,132	282,492
Surplus	2,297,110	2,280,428

Commerce Mutual

An increase of approximately $280,000 in total assets is shown by the Commerce Mutual Fire Insurance Co. in 1940 as compared with 1939. Almost 60% is in bonds and debentures, holdings of which were $93,000 higher than in the year previous. Holdings of stocks also were higher at $239,841. Mortgages totalled $419,300, up $152,000.

Total receipts during the year were over $1 million, almost double the $552,495 reported at the end of 1935. The amount of insurance in force at over $88.1 millions at Dec. 31, also has more than doubled in the last five years.

	1940 $	1939 $
Total assets	2,501,197	2,222,279
Bonds & debs.	1,498,989	1,405,212
Stocks	239,841	230,751
Cash	130,816	131,207
Agents bal.	68,309	56,977
Mortgages	419,300	267,450
Res. unearned prems.	248,476	189,469
Surplus	2,066,554	1,932,196

Insurance Notes

Motivation in selling life insurance is logic plus color, John A. Hill, manager at Toledo of the Aetna Life Insurance Co., told the Life Underwriters Association at Toronto. Straight logic, he stated, gained force greatly when it was properly illustrated and presented in personal terms to the prospective buyer.

Life insurance salesmen could add color to their presentation by stories of life insurance at work, questions as to what the client would do under certain circumstances and by displaying a record of their own life insurance holdings.

What Company Insures You?

If you express your preference for a time-tested and time-honored Insurance Company, with a splendid record of over one hundred years, your agent will know at once that he should recommend for your insurance this strong and highly respected Society.

UNION INSURANCE SOCIETY OF CANTON LTD

ESTABLISHED 1835

HEAD OFFICE FOR CANADA: 1400 Metropolitan Bldg., TORONTO

COLIN E. SWORD, *Manager for Canada.*

The Waterloo Mutual Fire Insurance Company

Established 1863

SURPLUS
For the Protection of Policyholders
$1,727,236.75

WATERLOO'S PIONEER INSURANCE COMPANY

Head Office - Waterloo, Ontario

The Independent Order of Foresters

The Certificates issued by The Independent Order of Foresters furnish a wide range of insurance protection, and associated with membership there are valuable fraternal benefits.

Mortuary Benefits, Sick Benefits, Disability Benefits, Old Age Benefits, Automatic Non-forfeiture Privileges, and Certificates maturing at ages sixty and sixty-five.

ASSETS OVER $44,000,000.00

FRANK E. HAND, *Supreme Chief Ranger*

Head Office: - - Toronto, Canada

In Time of Stress

and uncertainty, such as now exists, it should be a matter of particular concern to buyers of insurance to secure the sound time-proven protection of well established Companies having adequate resources and seasoned management.

The age, strength and reputation of the British America and Western Assurance Companies should merit the complete confidence of Agents, Policyholders and Bank and Mortgage interests.

Their operations embrace all classes of Insurance, other than Life, and extend throughout the British Empire, the United States and in various Neutral and Allied countries.

THE BRITISH AMERICA ASSURANCE COMPANY
TORONTO · CANADA
INCORPORATED 1833

THE WESTERN ASSURANCE COMPANY
TORONTO · CANADA
INCORPORATED 1851

THE WEEK'S QUOTATIONS

Toronto and Montreal Exchanges

The following table is confined to official prices for listed stocks, including curb market quotations. Where no transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING MARCH 31

Range 1941 High	Low	Div R'te $	Mar29 Y'ld %		Sales	Last Mar. 24	Week end. Mar. 31 H	L	Cl'se
				A					
.90	.55	.	...	Abitibi	1000	.75	.80	.70	.80
8	4	.	...	Do. pref. 6%	4211	6¼	7½	6¼	7½
12½	10	.	...	Do. pref. 7%	....	(8 bid	12½ asked)		
3	1	.	...	Acme Glove	25	1	3	3	3
52	50	6.50	12.5	Do. pref.	....	(55 bid	65 asked)		
12	11½	80+20c	8.3	Agnew Surp.	....	(11½ bid	— asked)		
108	105½	7	6.6	Do. pref.	15	105½	106½	106½	106½
1.50	.90	.	...	Alta. Pac. Gr.	300	1.00	.95	.90	.90
30	24½	.	...	Do. pref.	300	26	25½	25	25½
10	7	.	...	Algoma Steel	100	8½	8	8	8
97½	89½	2.50		Do. pref.	....	(90½ bid	96 asked)		
115	105	8	7.3	Aluminum	43	109	110½	110	110½
120	117	6	5.1	Do. pref.	....	(118½ bid	— asked)		
7½	6	.	...	Amal. Electric	....	(5 bid	8 asked)		
§43	34½	60c	...	Amer. Cyn. B.	....	(— bid	— asked)		
46	45½	2.75	6	Ang. Can. Tel. p	55	46	46	46	46
18	14½	60+60c	7	Asbestos	1827	17½	18	17½	18
16	14½	1	6.7	Assoc. Brew.	10	15	15	15	15
110	108½	7	6.4	Do. pref.	....	(108½ bid	— asked)		
•2	2	.	...	Assoc. T. & T.A.	....	(15 bid	— asked)		
§24	24	‡48c	...	Do. pref.	....	(108½ bid	— asked)		
§103	101	5.50	5.3	Ault & Wiborg.	....	(100 bid	— asked)		
				B					
147	140	8	5.5	Bk. Can. Nat.	9	145	145	145	145
195	171	8	4.6	Bk. Montreal	150	176	177	175	175
285	277	12	4.3	Bk. N. Scotia	10	277	280	280	280
250	244½	10	4	Bk. Toronto	10	247	250	247	247
•5	4½	.	...	Barcelona	....	(— bid	— asked)		
1.25	.55	.	...	Barker's Bread	....	(.35 bid	1.00 asked)		

Range 1941 High	Low	Div R'te $	Mar29 Y'ld %		Sales
§.20	.05	.	...	For. Pr. Secs.	....
12½	10½	50c	...	Foundation Co.	220
9	4½	.	...	Fraser Cos.	25
10½	7	.	...	Do. Vot. Tr.	443
§.50	.50	.	...	Freiman	....
42	41	.	...	Do. pref.	....
9½	6½	80c	10	Gatineau Pwr.	100
90	79	5	6.3	Do. pref.	75
95½	85	5.50	5.8	Do. 5½% pref.	5
1.25	.35	.	...	Do. Rights	....
6½	4½	.	...	Gen. St. Wares.	70
94	88	7		Do. pref.	15
80	67½	2.50+1.50		Goodyear Tire	....
56	53½	2.50	4.6	Do. pref.	159
•50	50	1	...	Gould Pumps, p	....
4	2½	.	...	Gt. Lakes Pap.	20
§29	18½	25c	..	Do. pref.	....
3½	1½	.	...	Do. Vot. tr. c.	25
19½	14½	25c	..	Do. Vot. tr. p.	10
5	1½	.	...	Gt. W. Saddlery	495
30	25	2.25	...	Do. pref.	20
11½	10½	60c	#5.6	Greening Wire.	....
§1.25	1.25	10c	...	Growers' Wine	....
4½	2½	.	...	Gurd, Chas.	....
§107½	106½	7	6.5	Do. pref.	....
3½	2½	.	...	Gypsum, Lime.	780
				H, I	
§21½	21½	1	...	Halifax Fire	....
5½	3	.	...	Ham. Bridge	435
36	34½	2+1.50▲	5½	Ham. Cot., pf.	....
.75	.75	.	...	Ham. U. Theat.	....
72	65	1.25		Do. pref.	5
3½	2½	20+5c	...	Harding Carpet	....

Government Bonds

Dominion of Canada Bonds (Supplied by Investment Dealers' Assoc. of Canada)

April 2, 1941

%	Due	Bid	Ask	Approx. Yld.
5	Nov. '41	102½	102½	.75
1½	May '42	100½	100½	.87
2	June '42	100½	101½	.84
3	Oct. '42	102½	102½	1.14
2½	June '43	102	102½	1.21
5	Oct. '43	107½	108½	1.53
2	June '44	101	101½	1.43
a2½	Jan. '44	95½	96½‡	3.50
4½	Oct. '44	108½	109½	1.83
2½	Nov. '44	102½	103	1.65
a2½	Aug. '45	94	95½‡	3.70
4	Oct. '45	105½	105½	b1.63
4½	Feb. '46	109½	110½	2.20
3½	June '49	102½	103½	b2.52
3½	Oct. '49	103	103½	b2.39
3½	Nov. '51	101	101½	b3.00
3½	Feb. '52	101½	102	b2.92
a5	May '52	100½	‡101½	b3.80
4	Oct. '52	105½	106½	b2.91
3	Oct. '52	98½	99½	3.07
3	June '55	98½	99½	3.07
4½	Nov. '56	107½	108½	b2.89
4½	Nov. '57	108	108½	b3.01
3	June '58	98	98½	3.09
4½	Nov. '58	108½	109½	b3.08
4½	Nov. '59	109½	110½	b3.13
a4	Oct. '60	93	94½‡	4.44
a3½	Jan. '61	84½	86½‡	4.28
3½	June '66	100½	101	b3.17
a3e	Jan. '67	82½	83½‡	4.01
a3e	Nov. '68	82½	83½‡	3.96
†3	Perpet'l.	90½	91½	3.28
	Dominion Guarant'd Bonds			
	Can. Nat'l. Railways:			
2	Feb. '43	100½	101½	1.19
2½	Jan. '46	100½	101½	1.92
3	May '44	103	104	1.66
3	Dec. '50	98½	99½	3.03
3	Feb. '53	98	99	3.10
3	Jan. '59	96½	97½	3.17
•4½	Sept. '51	113½	114½	2.89
•4½	Feb. '56	113½	114½	3.25
4½	July '57	114½	115½	3.26

%	Due	Bid	Ask	Approx. Yld.
•4½	June '55	116½	117½	3.25
5	Feb. '54	116½	117½	3.33
•5e	July '69	113½	114½	b1.80
•5e	Oct. '69	118	119	b2.97
•5e	Feb. '70	118	119	b3.08
	Grand Trunk Pacific Rly.:			
3	Jan. '62	97½	98½	3.08
	Provincial Gov't. Bonds			
	New Brunswick:			
3	Oct. '51	87	89	4.31
3½	Aug. '49	90	92	4.40
3½	June '56	91	93	4.11
c4	Nov. '47	96½	98	4.35
c4½	Apr. '61	98	99½	4.54
c5	Jan. '60	103	105	4.60
	Nova Scotia:			
3	Jan. '52	93	94½	3.61
3½	June '56	93	94½	3.72
3½	Nov. '50	97	98½	3.68
c4½	Sept. '52	106	107	b3.31
c4½	Nov. '60	107	110	3.78
c5	Mar. '60	114	116	3.83
	Ontario:			
2½	May '45	100	101	2.25
3	Apr. '48	98½	99½	3.04
3	Nov. '50	98½	99½	3.09
3½	Nov. '51	99½	100½	b3.15
3½	May '55	99½	100½	b3.20
•4	June '62	106	108	3.47
4½	June '50	108½	109½	3.28
•4½	Jan. '62	112½	114½	3.50
5	Oct. '48	110½	111½	3.25
•5	Dec. '60	119	121	3.53
5½	July '46	111½	112½	2.97
	Ont. Hydro Commission:			
3	Aug. '48	98½	99½	3.04
3½	Feb. '53	99½	100½	b3.19
3½	Apr. '47	101½	102½	3.05
	Prince Edward Island:			
3	Oct. '45	95	97	3.69
	Quebec:			
3	Nov. '47	94	95	3.87
3½	Mar. '48	95½	96½	3.87
3½	Mar. '59	91½	92½	4.07

%	Due	Bid	Ask	Approx. Yld.
3½	Feb. '55	96	97	4.04
4	Nov. '52	98½	100	4.00
4½	Aug. '58	100	102	4.00
4½	Jan. '63	101	104	4.22
	Alberta:			
4	Dec. '54	53	57	d
4½	Oct. '51	65½	69½	d
c4½	Oct. '56	54½	58½	d
•5	Oct. '59	57	61	d
c5½	Apr. '52	62	66	d
6	Mar. '47	66	70	d
	British Columbia:			
c4	Dec. '57	96	100	4.00
•4½	Jan. '51	99	103	4.13
c4½	Oct. '53	99	103	4.20
c5	Apr. '54	102	106	4.40
5½	Feb. '45	101	105	4.12
6	Feb. '47	104	108	4.46
	Manitoba:			
c4	Dec. '57	86	90	4.87
c4½	Dec. '56	89	93	5.13
•5	Dec. '59	92	96	5.34
5½	Oct. '55	92½	96½	5.85
6	Apr. '47	94½	98½	6.30
	Saskatchewan:			
4	Sept. '54	67	71	7.43
4	Nov. '60	66	70	6.75
c4½	Oct. '51	80	84	6.62
c4½	Mar. '60	71	76	6.75
5	Aug. '58	74½	78½	7.18
5½	Oct. '32	79	84	7.60
6	Mar. '52	83	88	7.63

•-Payable Can., N.Y. and £. b-Calculated to call date giving lowest possible yield. c-Payable Can. & N.Y. a-Payable N.Y. †-Callable on or after Sept. 15, 1966. d-Traded flat. Interest being paid at 50% of coupon rate, minimum rate 2%. e-Callable at a premium. ‡-N.Y. funds.

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

Apr. 1, 1941

Industrials:	Bid	Ask.
Acme Farm. D.	36½	40
Andian National	26½	27½
Anglo C. Tel., A	8	8½
Atlas Steel	21	25
Barrymore, pfd.	28	..
Blue T. Brew. A	8½	10
Do., B	6	7½
B. C. Pulp, c.	12½	15
Goderich Elev.	7	8
Guelph Carp., c.	20	23
Gurney Fdry., p	1½	1½
Hayes Steel, c.	9	10
Hi'land Dairy, p	49	54
Homewood San.	100	120
Ingram & Bell	26	31
Kingst. Ship. un	26	30
Loblaw Inc., c.	11½	13
M'row Screw, p.	99	..
Do., com.	10½	12
Moirs, pfd.	18	..
Mt. Royal H., c.	2½	..

	Bid	Ask.
Morrison Br. un.	4	6½
N. B. Tel., c.	10½	12½
Neilson, Wm., c.	10	..
Do., pfd.	100	..
N. Meth. Ldy. p	54	57
Ont. Tobacco, p	17½	21
Pac. C. Term., c.	9	10½
Paterson, Wm. p	103	..
Prov. Paper, pfd	105	106½
London & West.	34	37½
Midland Loan	14	16
Premier Trust	61	66
Sherbrooke Tr.	120	..
Sterling Trust	57	..
Traders Fin. A c	7	9
Do., A pfd.	85	88
Trusts & Gr. new	50	52½
Victoria Trust	73	80
Waterloo Tr.	100	..
Insurance Stocks:		
Canada Life	395	..
Brit. Amer.	50	55

	Bid	Ask.
Canadian Fire	81	85
Confed. 30% pd.	135	140
Continental L.	35	..
Crown, fully pd.	255	267
Dominion Fire	138	..
D. of Can. Gen.	116	122
Empire, 25% pd.	51	64
Excelsior 38% pd	70	..
Federal, 25% pd.	52	..
Deb. & Sec., pf.	60	..
Inv. Found. un.	40	45
Sec's. Hold., pf.	19	21
United Corp., A	19	21
Do., B	4½	5½
Power Issues:		
Can. W. N. Gas	24	..
Do., pfd.	101	103
Gt. Lakes Pr., p	102	104
Int. Ut., $1.75 p.	14	..
Do., $3.50 p.	33	..
Mtl. Is. Pwr., p.	21	..
Nor. Ont. Pr., p.	73	78

Unlisted Mines

Toronto, April 1, 1941

	Bid	Ask
Acordia	.25	.30
Addington	.00½	.01½
Albany River (Old)	.05	.07
(New)	.12	.16
Amal Kirk	.08½	.09½
Anoki	.03½	..
Aquarius	.20	.23
Arjon	.04	.05
Armistice	.09	.09½
Argosy	.07	.08
Area	.03½	.04
Athona (Old)	.01	.02
(New)	.03½	.04½
Barb Lard	.01½	.02½
Bilmac	.01½	.02½
Bonetal	.50	.54
Brock	.41	.43
Buff Bear	..	.04
Calder Bo	.02½	..
Central M	.02½	.03
Cheminis	.03½	.03½
Coin Lake	.03½	.04
Cons Chib	.05	.06½
Crescent	.00½	.01
Dayton	.01	.02
Demp Cad	.01	.01½
Desants n	.20	.23
Dona Pat	.01½	.01½
E Lacoma	.00½	.01

	Bid	Ask
Elmos	.06	.08
Franco	.15	.22
Galore	.01½	.02½
Gan Cop	.09	.11
Gate Pat	.00½	.01½
Gilbec	.01	.01½
Gord Leb	.00½	.01½
Highridge	.12	.14
Hoyle nw	.26	.28
Hugh PaP	.07	.08
Hutch Lke	.00½	.01½
Jasper	..	.16
Keora	.03	.04
Kenricia	.01½	.02½
Kewagama	.01	.02
Kiena	.02	.03
Kirk Gate	.01	.02
Lacoma	.00½	.01½
Laguerre	.15	.20
Lake Duf	.21	.24
Lake Gen	.03½	..
Lardego	.00½	.01
Lw Pete	.15	.18
Magnet C	.80	.85
Magnet L	.18	.21
Magwell	.01½	.02½
Manik'u	1.75	2.00
Martin Bir	.03	.03½
Margaret	.09	.10½
Mata Can	.02½	.03½

	Bid	Ask
Mata Con	.16	.19
McLellan	.20	.22
McMar'ac	.40	.42
MofHal n	.02½	.03½
Monarch	.01	.02
Mooshla	.01	.02
Mosher	.04½	.05½
McGregor	.01	.02
McManus	.02½	.03½
Nat Mal	.30	.33
Negus	.70	.80
New Aug	.29	.32
New Roy	.00½	.01
Nickel O	.75	.90
Norbeau	..	.25
Northland (1940)	.04	.06
Norwin	.06½	.08
Numalake	.12	.14
Oklend	.04½	.04½
O'Leary	.01½	.02½
On Nickel	.10	.11
Opemisha	.02½	.04
Oriole	.00½	.01½
Orpit	.08½	.09½
Ossian	.00½	.01½
Pascalis	.35	.39
Pontiac R (Old)	.04	.07
Pelangio	.01½	.02½

	Bid	Ask
Phoenix	.01	.02
Polaris	.07	.08
Propri'y	2.30	2.70
Presdor	.05½	.06
Queb Man	.06	.07½
Rahn Lake	.00½	.01½
Rand Mal	.08½	.09½
Red Lake	.01½	.02½
Sachigo	2.25	3.00
Sanshaw Special	.07	.08
Mines L	.04	.07
Senore	.07	.10
Shenango	.01½	.02
Sheldon	.05	.05½
Siscoe Ex	.01½	.02½
Skynner	.04	.05½
Smelters G	.00½	.01½
Spooner	..	.02½
Sunbeam	.02	.03
Springer	.21	.23
Stadacona	.05½	.07
Thomson	.14	.16
Thomp Cd	.01	.02½
Treaty Pt	..	.12
Union Min	.03	.04
Wasu	.04	.05
West Red	.02½	.03½
Woco	.02	.03
Y David'n	.20	.23

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

April 1, 1941

Issues:	Int. Rate	Due	Bid	Asked Apr. 1	Bid Mar. 25
Can. Canners	4	'51	100½	102½	100½
•Can. Int. Paper	6	'49	103½	105½	103
‡Can. Locomotive	6	'53	86	89	86
‡†Candn. Vickers	6	'47	53½	56½	54½
C. P. R.	3½	'51	92	94	91½
Do.	4	'49	95½	97½	95
Do.	4½	'44	99½	101½	99½
Do.	6	'42	103	105	103
Col. Steamships	6	'54	95½	98½	94
†Consol. Paper	5½	'61	67	70	68
Dom. Coal	4½	'52	101½	103½	101½
Dom. Scott. Inv.	4	'52	96	..	95
Dom. Stl. & Co.	6½	'55	105	107	104½
Dom. Tar	4½	'51	101½	103½	101½
Dom. Woollens.	6	'53	96	98	95½
†Donnacona P.	4½	'56	73½	76½	73
•Dryden Pap.	6	'49	100	...	100
‡Dufferin Pav.	5	'55	54½	57½	54½
†East. Dairies	6	'49	79	82	78
Famous Players	4½	'51	99	101	100
†Federal Grain	6	'49	98	100	98
†Fraser Cos.	6	'50	98	100	98½
Galt Brass	5	'50	90	..	90
Gen. Stl. Wares.	4½	'52	99½	101½	99
•Great L. Paper.	5	'53	93	95	93
•Gurney Fdry.	5½	'49	70½	73½	70½
†Gypsum, Lime	5½	'48	99	101	99
Ham. By-Pr., C.	5	'55	102½	104½	102
Do.	6	'56	100½	102½	100
Ham. Cotton	4½	'50	100	...	99½
Inter-City Bak.	5½	'48	101½	103½	101½
Indust. Accept.	4	'52	82	85	82½
Ins. Ex. Bldg.	3	'51	42	45	42
•Inter. P., Nfld.	4½	'68	88	91	88½
•Inv. Bond & Sh.	5	'47	48	51	49
†Kingston Elev.	6	'30	105	107	105
Lake St. J. P.	5½	'61	87½	90½	88
Do.	5	'61	58	61	59
Legare	6	'61	87	90	86½
Maple Leaf M.	[illegible]	[illegible]	70½	[illegible]	71½
Man. Sugar	[illegible]	'50	[illegible]	[illegible]	[illegible]

Issues:	Int. Rate	Due	Bid	Asked Apr. 1	Bid Mar. 25
Silv. Dairies	6	'66	92	95	92
Simpsons Ltd.	4½	'51	99	101	99
Smith, Howard.	4½	'51	104	106	104
Stand. Lime	6	'44	97	..	97
Sterling Coal	6	'45	96	..	96½
Stop & Shop	3	'47	57	60	60½
United Corp.	5	'53	90	93	90
•United Gas	5½	'48	104½	106½	104
United Gr. Grs.	5	'48	95½	98½	95½
†Western Grain	6	'49	58	61	59

•Payable in Can. or U. S.
†Payable in Can., U. S. or U. K.
•Payable in U. S.
▲Payable in Canada only.
‡Traded without accrued interest.
▲Payable in Can. or U. K.

Municipal Bonds

Apr. 1, 1941

†Halifax	5	1961	109.00	110.50	4.23
Hamilton	5	1950	109.75	111.75	3.30
Montreal	5	1945	93.50	95.00	6.40
Ottawa	4½	1945	104.50	106.50	2.90
†Quebec	5	1950	105.50	107.00	4.44
Saint John	5	1950	105.00	106.50	4.17
†Toronto	4½	1955	110.20	112.20	3.40
†Vancouver	5	1950	98.00	101.00	4.88
Winnipeg	5	1944	101.00	104.00	3.62

†Payable Can. and N.Y.

Investment Trusts

	Bid	Asked
Affiliated Funds	2.35	2.57
Can. Amer. Trust	2.70	3.10
Can. Inter. Trust	4.25	5.00
Can. Invest. Fund	3.25	3.60
Grouped Income	...	[illegible]
Trans-Canada	[illegible]	[illegible]

Winnipeg Stocks

(Transactions from Mar. 24 to Mar. 29)

	Sales	High for period	Low for period	Close Mar. 29
Federal Grain, pfd.	35	28.50	27.00	28.50
Sachigo River	85	2.50	2.00	2.50
United Grain Growers	6	9.00	9.00	9.00
Western Breweries	100	1.75	1.75	1.75
Western Steel	41	9.00	9.00	9.00
Wingold	2,500	.08¾	.08¾	.08¾

Stocks Not Traded in During Week*

	Bid	Asked
Beaver Fire	75	..
Beav. Lumber, c	..	4
Beav. Lumber, p	104	105
Can. Airways	1	..
Can. Indemnity	150	..
Cres. Cream., p.	11¾	15
Dom. Envelope, c	8½	..

	Bid	Asked
Dom. Envelope p	92½	97½
Home Invest.	14	..
Nor. Can. Mtg. p.	5	..
North. Trusts	7	..
Traders Bldg.	43	..
West. Grain, p.	..	9
Wings	.15	75

*Stocks more active on other exchanges not included.

Volume of Stock Sales

	Montreal Markets Indust.	Mines	Toronto Markets Ind. & Mines	Vancouver Markets Ind. & Mines
Apr. 1	9,800	5,000	258,000	......
Mar. 31	12,400	5,300	186,000	21,005
Mar. 29	4,500	2,000	109,000	16,550
Mar. 28	6,800	5,300	136,000	20,281
Mar. 27	8,600	13,400	240,000	26,635
Mar. 26	6,500	10,400	178,000	16,540

Annual Meetings

Date	Company	Place
Apr. 7	Ashley Gold Mining	Toronto
Apr. 7	Base Metals Mining	Toronto
Apr. 7	Dominion Engineering	Montreal
Apr. 7	Normetal Mining	Toronto
Apr. 7	Saguenay Power Co.‡	Montreal
Apr. 7	French & For. Invest.*	Montreal
Apr. 8	Hamilton United Theat.	Toronto
Apr. 8	Jack Waite Mining	Seattle, Wash.
Apr. 8	Montreal Finance	Montreal
Apr. 8	Nordon Corp.	Los Angeles
Apr. 9	Celanese Corp. of Am.	New York
Apr. 10	Canada Iron Mines†	Toronto
Apr. 15	Anglo-Can. Telephone	Montreal
Apr. 15	Asbestos Corp. Ltd.	Montreal
Apr. 15	Brandram-Hend. Ltd.	Montreal
Apr. 15	Chesterville Lard. Lk. G.	Toronto
Apr. 15	Granby Cons. Min.	New York
Apr. 15	John A. Lang & Sons	Kitchener
Apr. 16	The Borden Co.	Jersey City
Apr. 16	Canadian Breweries Ltd.	Toronto
Apr. 16	Canadian Celanese	Montreal
Apr. 17	Dom. Tar & Chem.	Montreal

*Annual and special. †Bondholders.
‡Special.

Mining Dividends

	Rate	Close Mar. 31	Yield %
Anglo-Huronian	‡10c	2.25	..
Aunor Gold	▲8c	1.96	..
Beattie Gold	‡16c+2c	1.15	*15.6
Bralorne	80c+40c	10.50	*11.4
Broulan Porc.	12c	.91	13.2
Buffalo Ankerite	‡31c	3.60	..
Buloio Gold	$3	18.25	16.2
Can. Malartic	8c	.55	..
Cariboo Gold	16c+8c	2.56	*9.3
Central Patricia	16c+4c	1.70	*11.7
Chesterville	5c	1.37	..
Cochenour Willans	3c	.77	..
Coniagas	‡25c	1.50	..
Coniaurum	‡16c+2c	1.30	*13.8
Cons. Smelters	$1+$1.25	35.00	*6.4
Delnite	‡6c	.87	6.9
Dome Mines	$2	22.50	8.9
East Malartic	‡30c	2.66	11.3
Falconbridge	5c	2.40	..
Francoeur Gold	†3c	.39	..
God's Lake	‡2½c	.26½	..
Goldale	‡2c	.12	..
Gold Belt	‡4c	.26	..
Grandview	†.00½	.14½	..
Gunnar Gold	6c	.25¼	..
Halnor	60c	5.00	12
Hard Rock	‡10c	.80	..
Hedley Mascot	‡8c	.58	..
Hollinger	65c+45c	12.87	*8.5
Howey Gold	2c	.24	..
Hudson Bay	‡$2	26.00	7.7
Inspiration	†2c	.27	..
Inter. Nickel, com.	$2	34.25	5.8
Island Mountain	‡15c	.87½	..
Kerr Addison	‡15c	3.90	..
Kerr Lake	‡10c	.41	..
Kirkland Lake	10c+2c	.89	*13.5
Kootenay Belle	▲4c	.25	..
Lamaque Gold	‡40c+10c	4.40	*11.4
Lake Shore	$2	19.25	10.4
Leitch	8c	.50	16
Little Long Lac	‡30c	1.80	..
Macassa	32c+3c	4.00	*8.7
Madsen R. Lake	6c	.61¼	..
McGillivray Coal	‡3c+1c	.20	..
McKenzie Red L.	♦12c	1.10	10.9
McWatters	10c	.20	..
Moneta	12c	.48	..
McIntyre-Porc.	$2.22+$1.11	48.00	*6.2
MacLeod-Cockshutt	‡20c	1.90	..
Naybob Gold	4c	.26½	..
Nipissing	15c	1.05	..
Noranda	$4	54.00	7.4
North Empire	20c	5.00	..
O'Brien Gold	‡10c	.65	..
Pamour Porc.	12c	1.25	9.6
Pato Cons.	20c	2.60	..
Paymaster	‡1c	.22½	..
Perron Gold	16c+4c	1.50	*13.3
Pioneer, B.C.	40c	2.20	18.1
Pickle Crow	40c	2.60	15.3
Placer Develop.	$1.20	9.50	12.6
Premier	12c	.91	..
Preston E. Dome	20c+7½c	3.15	*8.7
Privateer Mine	‡16c+2c	.47	..
Powell Rouyn	‡10c	.70	..
Quebec Gold	‡2c	.22	..
Relief Arlington	‡5c	.02½	..
San Antonio	14c+6c	2.50	*8
Sheep Creek	16c	.85	..
Sherritt Gordon	‡10c	.70	..
Sigma Mines	‡45c	7.40	..
Siibak Premier	16c	.70	22.8
Siscoe	‡11½c	.67	..
Sturgeon River	4c	.22	..
Sudbury Basin	‡2½c	1.18	..
Sullivan Cons.	‡9c	.65	..
Surf Inlet	‡1½c	.11¼	..
Sylvanite Gold	20c+10c	2.75	*10.9
Teck-Hughes	‡40c+5c	3.15	*14.3
Toburn	12c+8c	1.60	*12.5
Upper Canada	‡6c	1.87	..
Ventures	15c	3.25	..
Waite Amulet	‡10c	3.50	..
Wendigo	‡3c	.15	..
Wright-Harg.	‡40c+30c	5.60	12.5
Ymir Yankee	2c	.05	..

*Yield including bonus. †Initial.
‡Paid in 1940.
♦Plus 1 sh. McMarmac Red Lake Gold Mines for each 5 shs. McKenzie held.
▲Paid or declared payable in 1941 to date.

Dividends Declared

	This payment	Date payable	Date of record
Anglo Can. Oil	♦■4c	May 1	Apr. 19
Aunor Gold	4c	June 2	May 10
Bathurst Pr. P.A.	25c	June 2	May 15
Biltmore Hats	15c	Apr. 15	Apr. 3
Bralorne Mines	20c	Apr. 15	Mar. 31
Do., extra	10c	Apr. 15	Mar. 31
Brant. Cordage pf.	32½c	Apr. 15	Mar. 20
Bell Telephone	$2	Apr. 15	Mar. 22
B. C. Power "A"	50c	Apr. 15	Mar. 31
Brewers & Distil., p.	°50c	May 20	Apr. 26
Do., bonus	°10c	May 20	Apr. 26
Broulan Porc.	3c	Apr. 19	Mar. 31
Beatty Bros., 1st p.	$1.50	May 1	Apr. 15
B. C. Telep., 1st p.	$1.50	Apr. 1	Mar. 17
Do., 2nd pref.	$1.50	May 1	Apr. 16
Cal. & Edm.	5c	Apr. 7	Mar. 7
Can. Gen. Invest.	12½c	Apr. 15	Mar. 31
Can. Marconi	4c	June 1	Apr. 15
Can. Tube & Stl., p.	$1.50	Apr. 15	Apr. 8
Can. Iron Fd.	$4.50	Apr. 15	Mar. 31
Do., pref.	$3	Apr. 15	Mar. 31
Candn. Indust., pf.	$1.75	Apr. 30	Mar. 31
Do., com.	$1.75	Apr. 30	Mar. 31
Can. Car, pref.	■44c	Apr. 10	Mar. 21
Can. Nor. Pwr.	■25c	Apr. 25	Mar. 31
Do., pref.	■$1.75	Apr. 15	Mar. 31
Comm. Alcohols, p.	10c	Apr. 15	Mar. 31
Com. Alcohols, c.	15c	May 1	Apr. 15
Cel. of Am., pr. pf.	$1.75	July 1	June 17
Do., part. pref.	†$3.50	June 30	June 17
Chesterville L.	5c	Apr. 15	Mar. 28
Can. Bk. of Commerce	$2	May 1	Mar. 31
Can. Converters	50c	Apr. 30	Apr. 10
Cochenour W'ns.	3c	Apr. 25	Apr. 10
Corr. Pap. Box, p.	$1.75	June 1	May 15
Do.	$1.75	June 1	May 15
Can. Bronze	37½c	May 1	Apr. 21
Do., pref.	$1.25	May 1	Apr. 21
Can. Fairbanks, p	1.50	Apr. 15	Mar. 31
Delnite Mines	3c	Apr. 30	Apr. 5
Dom Tar, pref.	$1.37½	May 1	Apr. 15
Dom. Text., p.	$1.75	Apr. 15	Mar. 31
Dominion Bank	$2.50	May 1	Apr. 19
Falconbridge N.	5c	Apr. 4	Mar. 6
Foundation Co.	25c	Apr. 18	Mar. 31
Gunnar Gold	3c	May 1	Apr. 15
Gt. Lakes Pwr., pf.	$1.75	Apr. 15	Mar. 31
Guaranty Trust	$1.25	Apr. 15	Mar. 31
Howey Gold	2c	May 1	Mar. 31
Hallnor Mines	15c	June 2	May 10
Hollinger Cons.	5c	Apr. 22	Apr. 8
Do., extra	5c	Apr. 22	Apr. 8
Imperial Bank	$2.50	May 1	Mar. 31
Inspiration Min.	♦2c	May 30	May 1
Inter. Milling, pfd.	†$1.25	Apr. 15	Apr. 4
Inter. Nickel, pf.	†$1.75	May 1	Apr. 1
Inter. Bronze	37½c	Apr. 15	Apr. 2
Do., pref.	37½c	Apr. 15	Apr. 2
Inter. Util. pfd.	•†87½c	May 1	Apr. 21
Invest. Found., pf.	75c	Apr. 15	Mar. 31
Kerr Addison	5c	Apr. 28	Apr. 10
Kirkland Lake	5c	May 1	Mar. 31
Do., extra	1c	May 1	Mar. 31
Koot. Belle G.	2c	Apr. 22	Apr. 15
Melchers Dist., pf.	°30c	Apr. 15	Apr. 5
Montreal Tele.	‡55c	Apr. 15	Mar. 31
McColl-Fron., pf.	$1.50	Apr. 15	Mar. 31
Montreal L. & Pr.	37c	Apr. 30	Mar. 31
Montreal Tel.	‡55c	Apr. 15	Mar. 31
Magnet Cons.	7½c	Apr. 10	Mar. 28
Moneta Porc.	3c	Apr. 16	Mar. 31
Maritime Tel.	17½c	Apr. 15	Mar. 20
Do., pref.	17½c	Apr. 15	Mar. 20
Nat. Biscuit, com.	†40c	Apr. 15	Mar. 14
Nan. Dun. Util.	25c	Apr. 1	Mar. 15
Naybob Gold	1c	Apr. 15	Apr. 1
Nat. Steel Car	50c	Apr. 15	Mar. 31
Negus Mines	5c	Apr. 10	Mar. 31
North Empire Mines	20c	Apr. 15	Apr. 4
Ottawa Car Air.	20c	Apr. 15	Apr. 8
Ontario Silknit, p.	$1	Apr. 15	Mar. 31
Pamour Porc.	6c	June 2	May 10
Preston E. Dome	5c	Apr. 15	Mar. 31
Do., extra	2½c	Apr. 15	Mar. 31
Penmans	75c	May 15	May 5
Do., pref.	$1.50	May 1	Apr. 21
Power Corp., pfd.	°■$1.50	Apr. 15	Mar. 31
Do., 2nd pref.	■75c	Apr. 15	Mar. 31
Premier Gold	3c	Apr. 15	Mar. 15
Pressed Metals	†25c	June 2	May 15
Prov. Paper, pfd.	$1.75	Apr. 1	Mar. 15
Rem. Rand, stk. div.	10%	May 1	Mar. 14
Regent Knit, pref.	§40c	June 1	May 15
Rolland Paper	15c	May 15	May 4
Do., pref.	$1.50	June 2	May 15
St. J. Dryd.&S. p	$1.37½	Apr. 1	Mar. 22
Siibak Premier	4c	Apr. 25	Apr. 4
Steel of Can.	75c	May 1	Apr. 7
Do., pref.	75c	May 1	Apr. 7
St. Law. Corp., A p	25c	Apr. 15	Mar. 31
St. Law. Pap., pref.	50c	Apr. 15	Mar. 31
Sheep Creek M.	4c	Apr. 15	Mar. 31
Simpsons, pref.	$1.62½	May 1	Apr. 19
Smith H., Paper pf.	$1.50	Apr. 15	Mar. 31
Sangamo	25c	Apr. 10	Apr. 7
San Antonio	7c	Apr. 21	Apr. 5
Do., extra	3c	Apr. 21	Apr. 5
Saguenay Pr., p.	$1.37½	May 1	Apr. 15
South. Can. Pr.	20c	May 15	Apr. 30
Do., pref.	$1.50	Apr. 15	Mar. 20
Sturgeon R. G.	4c	Apr. 30	Apr. 15
Tamblyn Gold	5c	Apr. 10	Mar. 28

DIVIDEND NOTICES

The Canadian Bank of Commerce

Dividend No. 217

Notice is hereby given that a dividend of two per cent in Canadian funds on the paid-up capital stock of this Bank has been declared for the quarter ending 30th April, 1941, and that the same will be payable at the Bank and its Branches on and after Thursday, 1st May next, to shareholders of record at the close of business on the 31st March, 1941. The Transfer Books will not be closed.

By Order of the Board.

A. E. ARSCOTT,
General Manager.

Toronto, 7th March, 1941.

The Dominion Bank

Dividend No. 234

Notice is hereby given that a dividend of two and one-half per cent upon the paid up Capital Stock of this Institution has been declared for the quarter ending 30th April, 1941. The dividend will be payable at the Head Office of the Bank and its Branches on and after Thursday, the 1st day of May, 1941, to shareholders of record of the 19th April, 1941.

By Order of the Board.

ROBERT RAE,
General Manager.

Toronto, 13th March, 1941.

Canadian Bronze Company, Limited

DIVIDEND NOTICE

THE quarterly Dividend of 1¼%, on the PREFERRED STOCK of CANADIAN BRONZE COMPANY, LIMITED, has been declared payable the 1st day of May, 1941, to Stockholders of record as of the 21st day of April, 1941.

Also a quarterly Dividend of Thirty-seven and one-half (37½c) Cents per Share has been declared on the present outstanding COMMON STOCK of CANADIAN BRONZE COMPANY, LIMITED, for the three months ending April 30th, 1941. Payable the 1st day of May, 1941, to Stockholders of record as of the 21st day of April, 1941.

By Order of the Board,
W. C. PAQUETTE,
Secretary.

Montreal, P.Q.,
March 28, 1941.

The Steel Company of Canada Limited

PREFERENCE DIVIDEND NO. 119

Notice is hereby given that a dividend of seventy-five cents (75c) per share on the Preference Shares of the Company has been declared for the quarter ending March 31, 1941, payable May 1, 1941, to shareholders of record at the close of business April 7, 1941.

By Order of the Board.

H. S. ALEXANDER,
Secretary.

Hamilton, Canada, March 12, 1941.

The Steel Company of Canada Limited

ORDINARY DIVIDEND NO. 97

Notice is hereby given that a dividend of seventy-five cents (75c) per share on the Ordinary Shares of the Company has been declared for the quarter ending March 31, 1941, payable May 1, 1941, to shareholders of record at the close of business April 7, 1941.

By Order of the Board,

H. S. ALEXANDER,
Secretary.

Hamilton, Canada, March 12, 1941.

HALLNOR MINES LIMITED

(No Personal Liability)

DIVIDEND NOTICE

Notice is hereby given that the interim dividend of 15c per share, payable in Canadian funds, has been declared by the Directors of Hallnor Mines, Limited (No Personal Liability), payable June 2nd, 1941, to shareholders of record at the close of business May 10th, 1941.

By order of the Board.

J. R. BRADFIELD,
Secretary.

Toronto, Ont., March 28th, 1941.

PAMOUR PORCUPINE MINES, LIMITED

DIVIDEND NOTICE

Notice is hereby given that an interim dividend of 6 cents per share, payable in Canadian Funds, has been declared by the Directors of PAMOUR PORCUPINE MINES, LIMITED, payable June 2nd, 1941, to shareholders of record at the close of business May 10th, 1941.

By order of the Board.

J. R. BRADFIELD,
Secretary.

Toronto, Ont., March 27th, 1941.

Aunor Gold Mines Limited

DIVIDEND NOTICE

Notice is hereby given that an interim dividend of 4 cents per share, payable in Canadian Funds, has been declared by the Directors of AUNOR GOLD MINES LIMITED, payable June 2nd, 1941, to shareholders of record at the close of business May 10th, 1941.

By order of the Board.

J. R. BRADFIELD,
Secretary.

Toronto, March 26, 1941.

Dividends Declared (Cont'd)

	This payment	Date payable	Date of record
Tuckett Tobacco, p	$1.75	Apr. 15	Mar. 31
Toburn Gold	3c	May 22	Apr. 22
Do., extra	2c	May 22	Apr. 22
West. Grocers	75c	Apr. 15	Mar. 20
Do., extra	$1	Apr. 15	Mar. 20
Do. pref.	$1.75	Apr. 15	Mar. 20
Weston, Geo., c. p.	$1.25	May 1	Apr. 15
Willson Stat., pfd.	$1.25	Apr. 15	Mar. 31
Wood. Alex. J. pfd.	$1.75	May 1	Apr. 15

†Payable in U. S. funds.
*Arrears eliminated after giving effect to this payment.
■Subject to approval of Foreign Exchange Control Board.
♦Initial.
§40c also payable Sept. 1 and Dec. 1.
°Subject to approval at annual meeting.
‡Net payment after deducting corporate income tax.
•Subject to approval of Securities and Exchange Commission.

We will pay
52 for
Can. Vickers 6's 47
Western Grain Units, 5
A. J. Pattison, Jr. & Co.
Royal Bank Bldg., Toronto
EL. 5101

C.N.R. Hopeful Cover Charges In Present Year

Cash Deficit in 1940 Totalled $17 Millions; a Gain of $23.1 Millions

From Our Own Correspondent

MONTREAL. — Outlook of the Canadian National Railways system for 1941 is for further substantial increase in traffic, according to S. J. Hungerford, chairman, on behalf of the board of directors, reporting to the Minister of Transport. Directors are hopeful, he says, the property will earn its fixed charges and will not require any appropriation by Parliament on deficit account.

To compass this result, net revenue, after payment of operating expenses, will need to be in the neighborhood of $63 millions. This amount would be required to pay taxes, interest due the public and the Government, etc.

Canadian National Railways' cash deficit in 1940 was just under $17 millions, an improvement of over $23.1 millions compared with returns for the previous year.

Canada's participation in the war brought greatly increased demands upon the system. The improvement in 1940 was 116% over the corresponding figure for 1939. The operating ratio of 81.82% was the lowest in the history of the system.

The increase in operating revenues was uniform over the different services; freight revenues increased 21.4%; passenger revenues 21.8%; and mail, express and miscellaneous revenue 21.4%. The increase on the lines of the company in Canada was 22.7% and on the lines in the United States 14.5%.

Investment in property increased during the year from $1,929 millions to $1,940 millions. This reflects net expenditures during the year of nearly $17.4 millions, of which the net increase in equipment account amounted to nearly $9 millions. Around $3.6 millions was spent on the Montreal terminal, $3.8 millions on general additions and betterments, and the balance on various services.

Particulars of the profit and loss account follow:

Consol. Profit & Loss Account
Years Ended Dec. 31

	1940	1939
Oper revenue	$247,527,224	$203,820,186
Oper. expenses	202,519,812	182,965,768
Other income	11,532,968	10,219,395
Net revenue	33,474,443	10,635,023
Less: Pub. int.	48,701,523	49,814,378
Govt. int.	1,737,963	916,165
Cash deficit	16,965,044	40,095,519

Egg 'Futures' Trade Opened in Montreal

From Our Own Correspondent

MONTREAL.—Facilities for trading in egg futures have been opened by the Canadian Commodity Exchange Inc., which five years ago inaugurated the futures market in butter. Trading in eggs commenced on April 3.

The butter prices, both spot and futures, established on the Commodity Exchange, are published throughout the Dominion by government and private agencies. They are used as a basis in most transactions.

Recognizes Importance

Decision to open the market for egg futures is evidence of the growing recognition of the importance of open, organized and regulated trading in commodities as well as in securities.

The Monthly Review of the Montreal Stock Exchange and Montreal Curb Market says: "In these days of rapidly changing conditions, the extension of organized exchange markets should be reassuring. The action expresses the confidence of those who are in a position to know the continued efficacy of free markets."

DIVIDEND NOTICES

Gunnar Gold Mines Limited

(No Personal Liability)

DIVIDEND No. 8

Notice is hereby given that a dividend of three cents per share has been declared on the outstanding Capital Stock of the Company, payable May 1, 1941, to shareholders of record April 15, 1941.

By order of the Board.

B. E. KEARNS,
Secretary-Treasurer.

Toronto, March 29, 1941.

Ottawa Car and Aircraft Limited

DIVIDEND NOTICE

Directors have declared a dividend of twenty cents per share, payable on April 15th, 1941, to shareholders of record April 8th, 1941.

G. L. SNELLING,
Secretary-Treasurer.

Ottawa, 31st March, 1941.

The Corrugated Paper Box Company, Limited

Preferred Stock Dividends
Nos. 23 and 24

Notice is hereby given that a dividend of 1¾% has been declared on the Preferred Stock of the Company, payable on the 1st day of June, 1941, to shareholders of record at the close of business on the 15th day of May, 1941.

Dated the 28th day of March, 1941.

J. A. WHEALY,
Secretary.

Hollinger Consolidated Gold Mines Limited

DIVIDEND NUMBER 343
EXTRA DIVIDEND NUMBER 70

A regular dividend of 1% and an extra dividend of 1%, making 2% in all, have been declared by the Directors on the Capital Stock of the Company, payable on the 22nd day of April, 1941, to shareholders of record at the close of business on the 8th day of April, 1941.

Dated the 1st day of April, 1941.

I. McIVOR,
Assistant-Treasurer.

Commodities

Price Changes Mostly Upward

Rubber Shows a Firm Tone — British Victory Seen Easing Shipping

Commodity markets have continued firm, advances being distributed fairly well among the various principal items. Three of four spot indices recorded advances, with Dow Jones index of future commodity prices also higher.

In spite of arrangements having been completed for ocean freight space for shipment of rubber from the Far East, the feeling was that the gap between available supplies and demand would steadily widen. Holders of rubber stocks at New York were unwilling to make sales except at firm prices. A slight easing in silk quotations was thought to be only temporary owing to supplies in the United States' being reduced. Cocoa was easier due to large supplies on hand and a light demand from manufacturers. The British victory over the Italian navy was seen by some as likely to facilitate shipments from Africa as it may relieve naval vessels for convoy work.

An easing in prices of cattle and hogs evidently reflected only the immediate supply and demand situation, at market centres, as there can be no great change in the available supplies in the country for some months, while demand in both Canada and the United States is likely to be well maintained.

	Latest week	Previous week	Same week last yr.
Cattle	$9.50	$9.60	$7.75
Hogs	11.25	11.40	12.00
Copper, lb.	.12	.12	.11½
Cotton, lb.	.1161	.1111	.1105
Rubber, lb.	.2287	.2260	.1819
Silk, lb.	2.88½	2.90	2.90½
Sugar, raw, lb.	.0340	.0334	.0280
Wheat, Man. (bu.)	.75⅞	.73¾	.87¼
Coffee, lb.	.06⅝	.06⅝	.05½
Hides	.14	.14	.12½
Weekly Indices			
Canada (D.B.S.)	86.0	85.7	83.2
Do., Wood, Gundy	69.8	69.9	67.8
U. S. Labor	81.6	80.9	77.9
Dow Jones (future)	63.89	61.92	59.00
Fishers'	88.3	87.8	84.1
Monthly Indices			
Canada (D.B.S.):			
Retail (Feb.)*	108.2	108.3	103.8
W'sale (Feb.)	85.2	84.6	82.8
U. S. (Jan.)	80.8	80.0	79.4
Gt. Brit. (Dec.)	148.2	146.9	102.8

Note:—The base of indices is that 1926 equals 100. *Base 1935-39=100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle—Steers, good, over 1,050 lb., top price, Toronto. Copper-electrolytic, New York. Silk—Crack db., 13-15 New York. Sugar—96 degrees centrifugal c/f New York. Wheat—No. 1 Man. North., Ft. W.-Pt. A. basis. Hides—No. 1 packer light.

Wheat Prices

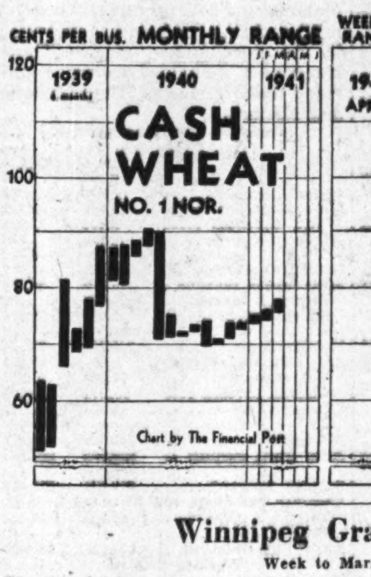

Chart by The Financial Post

Cash Quotations

	For Week Mar. 31 High	For Week Mar. 31 Low	Prev. Week High	Prev. Week Low
Wheat:				
1 Hard	.76	.75½	.77	.75¾
1 Nor.	.76	.75½	.77	.75¾
2 Nor.	.74⅛	.73½	.75⅛	.73⅞
3 Nor.	.71½	.70⅜	.72⅛	.70⅞
4 Nor.	.69⅛	.68⅛	.70⅛	.68⅞
5 Wheat	.69⅜	.68⅛	.69	.68⅜
6 Wheat	.65⅞	.64½	.66⅛	.64⅞
Feed	.63⅞	.62½	.64⅜	.62⅞
Oats:				
2 C. W.	.37⅛	.35¾	.35½	.35¼
3 C. W.	.36⅛	.34⅞	.34⅝	.34¼
Barley:				
1 Feed	.53	.51	.51⅛	.50⅜
2 Feed	.50½	.48½	.48¾	.48⅛
Flax:				
1 C. W.	1.89¾	1.80¾	1.78	1.76⅜
2 C. W.	1.86¼	1.79¼	1.76	1.74⅜
Rye:				
2 C. W.	.56⅝	.54¼	.53¾	.51¾

Winnipeg Grain Futures

Week to Mar. 31, 1941

Crop year from Aug. 1, 1940 High	Low		Open Mar. 25	High for week	Low for week	Close Mar. 31	Close year ago
		Wheat					
.79¾	.71⅝	May	.76⅞	.77⅜	.76⅛	.76⅞	.88⅜
.81⅜	.77½	July	.78⅝	.79	.78½	.78⅛	.89⅞
		Oats					
.36⅞	.25⅝	May	.35⅜	.36⅞	.35⅜	.36⅛	.38⅝
.35⅜	.29½	July	.34	.35⅜	.34	.35⅛	.37¼
.33⅝	.30¾	Oct.	.32½	.33⅝	.32⅜	.33¼	.35⅛
		Barley					
.51⅞	.33⅝	May	.49⅞	.51⅞	.49⅞	.51⅜	.52¾
.48¾	.39⅞	July	.47⅛	.48¾	.47⅛	.48¼	.50¾
.45⅞	.41⅞	Oct.	.44⅛	.45⅞	.44⅛	.45¼	.49
		Flax					
1.93¾	1.16	May	1.78⅜	1.93¾	1.78⅜	1.82⅜	2.16½
1.92⅝	1.29½	July	1.76	1.92⅝	1.76	1.82	2.16⅝
1.79¾	1.44¾	Oct.	1.68¾	1.79¾	1.68¾	1.74¼	2.01⅜
		Rye					
.58	.44¼	May	.55	.58	.55	.57¼	.71¾
.58¼	.47⅞	July	.56	.58¼	.55⅝	.57½	.72¼

PARRISH & HEIMBECKER
LIMITED
Incorporated 1909
Grain Receivers
Shippers and Exporters
HEAD OFFICE: WINNIPEG
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MONTREAL TORONTO FORT ARTHUR
CALGARY EDMONTON
VANCOUVER
"An old established firm with a reputation for doing business RIGHT"

N. M. PATERSON & COMPANY LTD:
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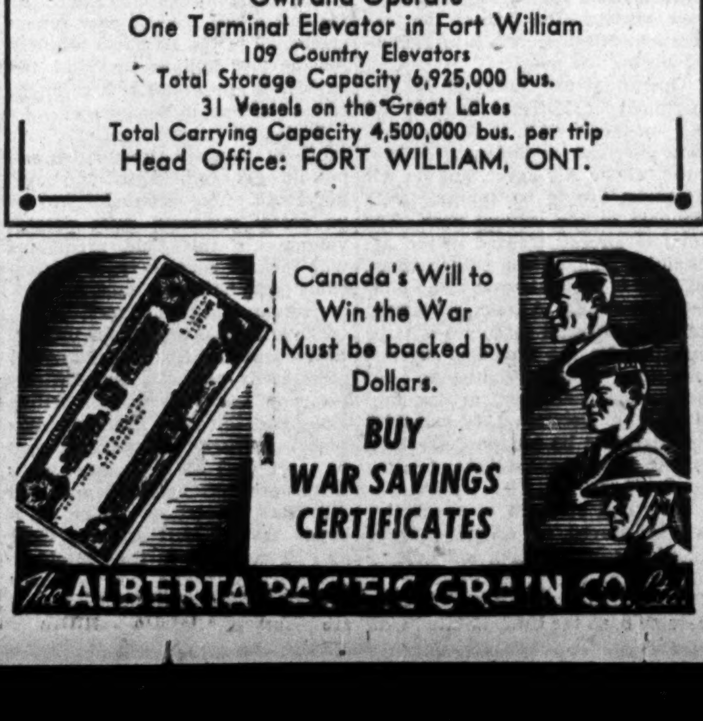
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Week in Wheat

Exporters Buy Grain For Lake Shipment

Chicago Strength Not Reflected in Wheat Here But Is Influencing Coarse Grain Prices — Big Switch to Barley

From Our Own Correspondent

WINNIPEG.—A fairly active trade in cash wheat has been in progress, as exporters have been accumulating supplies in preparation for shipment down the lakes on the opening of navigation. Exporters have lately made heavy transfers of grain east of Winnipeg. Presumably this is for early transatlantic shipment, with supplies in demand at all eastern ports, although, of course, plans for actual shipment are subject to rapid change, depending on the availability of ocean tonnage.

The recent remarkable display of strength in the Chicago wheat and corn market has little relation to wheat prices in Canada, but has been exercising an important influence on coarse grains.

Chicago Strength

Chicago wheat prices have risen mainly because of the insistence of Congress that the basis of government loans on stored wheat should be increased. This process is practically equivalent to saying that the Government will buy wheat at an increased price.

There are traces, too, of war psychology in the advance. There is some belief that under the Lease-Lend bill some United States wheat may find its way to Great Britain, or that a project for supplying food to unoccupied France may materialize.

Corn owes its strength both to the advance in the loan basis and also to prospects for greater meat consumption. Rapidly increasing employment means a willingness to buy more meat and to pay high prices for it, with a corresponding increase in demand for feed grain, of which corn is the leader in the United States. There is also a prospect of shipments of both pork and dairy products to Great Britain. An advance of grain prices in the United States means an increasing possibility of exports of Canadian barley and oats to that country.

* * *

Barley Ousts Wheat

Reports from country districts in western Canada indicate that the chief concern of farmers just now is planning adjustments in their crop acreage in order to get maximum advantage from the bonuses offered under the government plan for transfer of wheat acreage to other uses.

In Manitoba it seems certain that the principal change will be a very large increase in the acreage seeded to barley. When the new plans were first announced, one of the earliest reactions of farmers was to suggest that under the bonus of $2 per acre for coarse grains there would be such an increase in barley production that future prices would be very low. The recent strength of cash barley prices has tended to allay that feeling to some extent, even although the October barley future is on the boards at a considerable discount. But farmers who fear low prices for feed grains have two possible alternatives in connection with a barley crop. One will be the hope of securing alternatives in connection with a barley crop. One will be the hope of securing malting grades, for which considerable premiums frequently prevail. The other is ability to feed the grain to livestock. There is also the hope of yields considerably larger, and grades better than usual if barley is seeded on land well prepared the previous year.

Manitoba farmers have not usually sown barley for a cash crop. It has had its part in a programme of farm management, for cleaning land of weeds, since it can be seeded late, after time has been taken first to encourage and then to kill weed growth in the spring.

* * *

Other Diversion

Supplies of clover and grass seed are known to be too scarce to permit any great diversion from wheat to hay and pasturage. But if supplies are limited, so also to a considerable extent is the desire to transfer cropped land to grass. Such a move implies a general change in farming methods, and a commitment to swing more strongly into livestock, a process which not every farmer is able or willing to undertake. If a farmer is forced to take a portion of his land out of wheat because of the probability, and almost certainty that if he does not, he will have unsaleable grain left on his hands, the easiest adjustment to make is a transfer to some other grain crop.

* * *

Durums for Italians

Unrestricted movement of durum (macaroni) wheat from country elevator points to the Head of the Lakes has been authorized. It is presumed that the Canadian Wheat Board, in authorizing this move, and in ordering forward its own stock of durums, is anticipating possible needs of the future, when a changing Mediterranean situation might make possible considerable shipments of wheat to macaroni-consuming countries. Another possibility is that such wheat will be needed for feeding Italian prisoners and conquered civilian populations in Africa.

* * *

Seeding Starts

Some farmers in southern Alberta are reported to be seeding. That does not mean that work on the land in western Canada will be general in the immediate future. The season often opens early in southern Alberta and farmers there are usually in more of a hurry to take advantage of opportunity for early work. Elsewhere a very early opening of the season is not welcomed and farmers usually anticipate better crops if the ground is not too early exposed to drying winds.

Quebec Pulp

Consolidated loss of Quebec Pulp & Paper Corp., before depreciation, amounted to $249,360 in 1940, compared with $244,957 in 1939.

The higher loss was brought about by higher fixed charges and expenditures incurred in surveys of the company's plants, A. Stewart McNichols, president, states. All controllable expenses were kept as low as possible, he said.

Uncertainties in marketing groundwood pulp, formerly produced by the company, are such that consumers have shown unwillingness to enter into long-term commitments or give satisfactory undertakings, Mr. Nicholl states.

He announces that the company is investigating other uses to which its plant may be adapted.

Cons. Income and Deficit Account
Years Ended Dec. 31

	1940	1939
Revenue:	$	$
Invest. & other int.	11,500	12,930
Sale of wood	9,898	20,819
Sale of power	238	......
Miscellaneous	4,743	986
	26,380	34,735
Non-oper. expense.		
Admin. & gen.	19,212	19,291
Fixed charges, etc.	222,798	214,321
Chicoutimi plant	8,340	6,891
Val Jalbert plant	2,627	2,978
Woods department	8,792	9,594
Power plant	3,873	5,798
Depletion	9,898	20,819
Loss before depr.	249,360	244,957
Add: Prev. deficit	4,532,521	4,287,564
Deficit forward	4,781,881	4,532,521
Working Capital		
Current assets	338,677	385,444
Current liabilities	1,617,447	1,427,920
Working capital	*1,278,770	*1,042,476

*Excess of current liabilities over current assets.

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Three hundred thousand farming families in the three Prairie Provinces support two hundred thousand urban families, making a total of two and three quarter million people who live in Alberta, Saskatchewan and Manitoba. The main source of income of all these people is the revenue from wheat.

The greater part of our Prairie land is unsuitable for any other use than to grow wheat. The only hope of the West, therefore, is to win back wheat markets which were once enjoyed, but which in recent years have been lost. This Company believes that such markets can be regained, and the prosperity of the West restored after this War, by freeing international trade from the high tariffs, customs duties, quotas and other artificial restrictions set up by Governments, and which restrictions in the past twenty years have seriously curtailed foreign demands for Canadian wheat, and so have harmed wheat producers, consumers and merchants alike. We know, too, that when the West is prosperous much of this prosperity is reflected to untold numbers of people who live in Eastern Canada.

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Week in Mining

Granting Court Appeals Cheers Prospectors

Ontario Legislature Bill Giving Right of Appeal From Rulings of Ontario Securities Commissioner Viewed Step in Right Direction

Right of the prospector and mine financier to appeal rulings of the Ontario Securities Commission is granted under an amendment to the securities act brought down in the Ontario Legislature this week.

Advocated for years by the Ontario Prospectors and Developers Association and other mining bodies, and forecast some months ago in The Financial Post, this right of appeal is regarded by mining men as the first of very necessary steps to secure a return of interest in mine development.

What prospectors still want—as outlined in a statement of the Ontario Prospectors and Developers Association issued just prior to the new development—is abolition of the arbitrary powers of the Securities Commissioner. However, with the powers of the Commissioner subject to review under the new legislation, one concession has already been achieved even in this direction, it is believed.

Important changes in the province of Quebec regarding prospecting regulations are reported ready for legislative action.

* * *

Prospecting Really 'Down'

Revealing figures on Ontario prospecting were brought out by recent questioning in the Ontario legislature. Last year only 4,667 claims were staked in all Ontario against 6,772 the previous year and 17,295 claims in 1936—the peak of the prospecting boom.

It is necessary to go back to 1930 to find a year in which less claims were staked than in 1940. In that year of business readjustment, only 3,886 claims were staked.

Miners licenses issued tell the same story as claims staked. Only 5,470 licenses were taken out in 1940 against 7,713 licenses in 1939 and a peak of 13,855 licenses in 1937. Even going back to 1930, it is impossible to find a year in which so few licenses were issued as in 1940.

* * *

Gold Output Runs High

With $9.7 millions in bullion recovered from 955,676 tons of ore milled in February, Ontario gold mines had a daily average production which was the second highest in the history of the industry. Production in January—three milling days longer—had amounted to $10.1 millions from treatment of 1,016,430 tons of ore.

Increased daily production for February is stated due partly to the start at new mill of Hoyle Gold Mines in the Porcupine area. Besides this, however, the Nakhodas property commenced shipment of ore to the Faymar mill and Mayboro Milling Co. was operating a 25-ton mill on the Old Diamond property in Hastings Township, Ontario, during the month.

* * *

Big Yellowknife Stakings

Gold discoveries which have been made in the vicinity of the Snare and Emile Rivers and Wray Lake, Yellowknife area, N.W.T., "show promise of commercial importance," according to the Department of Mines and Resources at Ottawa.

Stakings in this new area which lies 150 miles north of the settlement Yellowknife now total 500 claims. Preparations have been made for extensive exploration and development work this coming summer. Testing of the possibilities will undoubtedly receive new impetus with completion of the big hydro-electric power development of Consolidated Smelters in this area, it is felt.

* * *

New Beryllium Use

New uses are continually being found for alloy metals but a new use developed for beryllium is perhaps stranger than any evolved for some time. Beryllium can now be used as an essential ingredient for a new type of cloth.

The new cloth is being made from seaweed in England and might possibly avert a textile shortage, it is said. At first the fabric made from the seaweed was found to dissolve in laundering with soap and warm water. Now, however, by running the fabric through a coagulating bath of a chemical composition of beryllium, this drawback has been eliminated. Only minute quantities of the expensive beryllium metal are needed.

Beryllium deposits are scarce throughout the world but some are known to exist in Renfrew county, eastern Ontario. A new cheap extraction method reported evolved might possibly play an important part in widening the present source of the metal.

Spooner Calls Meeting To Ratify Deals

A special meeting of shareholders of Spooner Gold Mines has been called for April 5 to consider two proposals.

1. Extension of the option of H. B. Housser on 78,859 shares of stock at 10 cents a share.
2. To approve a new agreement between Norex and Northern Empire Mines Co. calling for further development of the Norex property. Spooner is largest Norex shareholder. Payment would take the form of treasury shares.

The new agreement may grant certain additional options to Northern Empire on completion of 1,000 ft. of drifting by that company if Mr. Housser allows his option to be replaced by a new, reduced option agreement.

CONTINENTAL QUORUM LACKING

Insufficient shares were represented at the annual meeting of Continental Kirkland Mines to give a quorum. The meeting was informed, however, that surface prospecting of the eastern claims is planned this summer. It is understood that a proposed option on 1,409,844 treasury shares in consideration of the purchase of 50,000 shares at 6 cents will come into force automatically without the approval of shareholders at the annual meeting.

Ore Supply Up At Lamaque

Earnings For Quarter Lower as Production Declines

Increases in both tonnage and total value of ore reserves are shown in the quarterly statement of Lamaque Gold Mines for the three months ended Feb. 28, 1941, compared with the same period in 1940.

As at Feb. 28, 1941, 914,609 tons of ore in reserve had an average value of $10.97 a ton. This compared with 865,865 tons and an $11.14 average a year previous.

Net profits declined in the February, 1941, quarter amounting to $346,985 or 11.6 cents a share compared with $568,352 or 18.9 cents a share in the corresponding quarter a year previous.

Decline in profit was due to two chief causes, lower value of production and higher costs. Output in the 1941 quarter was $1,200,618 from 109,501 tons against $1,333,030 from 110,045 tons for the previous year. Taxes showed a considerable increase among generally higher costs.

A total of 1,288 ft. of ore was opened on levels from 1,075 to 2,400 ft. in the quarter ended Feb. 28, 1941, averaging $11.90 a ton across an average width of 5.9 ft. In the corresponding period in 1940, 1,182 ft. of ore had been opened up from the 450 to 2,100-ft. level with an average of $12.19 across 6.1 ft.

Teck-Hughes Profit Down

Treatment of a smaller tonnage of ore resulted in lower profits for Teck-Hughes Gold Mines in the six months ended Feb. 28, 1941. Net profit was $894,952 or 18.6 cents a share compared with $1,107,883 or 23 cents a year previous.

After milling 146,830 tons of ore in the latest six months' period, 480,174 tons of ore remained in reserve averaging $11.05 a ton, down about 45,000 tons from a year before.

Average Recovery Up

Production of $1,563,120 for the six months ended Feb. 28, 1941, gave an average recovery of $10.65 a ton based on tons milled. Recovery the six months ended Feb. 29, 1940, had amounted to $1,805,803 from 174,995 tons for an average of $10.32 a ton.

Dividend income from Lamaque Gold Mines was down slightly at $444,800 compared with $473,680.

A total of 590 ft. of new ore was opened up in the six months ended Feb. 28, 1941, averaging $13.49 a ton. Bulk of this ore was opened up on three levels, the 5th, 25th and 30th.

Recovery averaged 95.88% for the period.

Aunor Declares New Dividend

Second 4-cent Payment Comes Less Than Three Months From First

A second dividend of 4 cents a share has been declared by Aunor Gold Mines, shareholders were informed at the company's annual meeting.

The new distribution is payable June 2, 1941, to shareholders of record May 10, or less than three months from the first payment which was made on Mar. 29.

Expect Better Earnings

The belief was expressed that earnings for the current year will exceed those of 1940. First quarter production was expected to approximate $400,000.

The general ore situation is regarded favorable, shareholders were told. As the ore deposition is such that reserves cannot be calculated accurately ahead of mining, shareholders were told to consider the ore reserve figure of $340,847 tons at the end of 1940 only in a technical sense.

Dosco Increases Iron Output

From Our Own Correspondent

MONTREAL.—Dominion Steel & Coal Corp.'s Sydney plant produced 29,000 tons of pig iron in February. This represents a decline of 7,000 tons from January, owing to the shorter month, but was 6,000 tons greater than in February, 1940.

For the first two months of the current year the Sydney plant has turned out 65,000 tons of pig iron, compared with 57,000 tons for the like period a year ago.

Mining Company Reports

Ventures Ltd.

Although dividend income from Falconbridge Nickel Mines was cut by three quarters, increased income from other sources helped Ventures Ltd. maintain its position in 1940. After all charges, earnings were 32 cents a share against 34 cents in 1939.

Working capital was narrowly lower at $1,030,371 including securities at market value.

Frobisher Exploration Co. has been organized by Ventures and its associates to carry on prospecting exploration. Due to the number of companies participating, Ventures expenditures are not expected to be large. Work will be carried on in search of war metals and in prospecting in the Yellowknife area.

As soon as present expansion is completed at La Luz Mines (about the end of 1941), the company plans payment of dividends. The returns received by Ventures from La Luz Mines will constitute a most important new source of revenue, it is stated. Hoyle Gold Mines was placed in production last year to assist the war effort.

Operations of the subsidiary Fahralloy (Canada) constituted a new record in 1940 and the outlook for future growth is stated to be promising. Metal Hydrides Inc. is continuing to make progress, it is stated.

Shareholdings at the end of 1940 are reported as follows:

Shares:		Interest %
886,318	American Nepheline	78.88
1,430,000	Coniaurum Mines	51.68
1,319,930	Falconbridge Nickel	39.55
1,542,112	Hoyle Gold Mines	30.84
698,278	La Luz Mines	51.49
930,655	Matachewan Consol.	27.13
1,049,110	Sudbury Basin Mines	62.10
2,020,167	Beattie Gold Mines	41.97
467,373	Canadian Malartic	12.79
969,500	Lake Dufault	43.86

Income and Surplus Account
Years Ended Dec. 31

	1940 $	1939 $
Divds. & int. received	850,845	1,058,630
Profit on secs.	63,333	74,428
Int. & exchange	18,973	1,689
Gross earnings	933,151	1,134,747
Less: Exec. & dir. remun.	17,040	16,150
Legal fees	1,265	2,259
Admin. expenses	33,794	35,938
Explor. exps. w/o	39,003	115,455
Securities w/o	30,492	55,733
Advances w/o	10,985	8,752
Prov. for taxes	47,000	15,000
Trans. to invest. res.	250,000	350,000
Net profit	503,572	535,460
Less: Dividends	236,093	78,698
Surplus for year	267,479	456,762
Add: Prev. surplus	1,516,486	1,059,724
Surplus forward	1,783,965	1,516,486
Earnings Per Share and Dividend Record:		
Earned	$0.32	$0.34
Paid	0.15	0.05
No. of Shs. Outstand.	1,573,951	1,573,951
Working Capital		
Current assets*	1,084,394	1,179,931
Current liabilities	54,023	86,406
Working capital*	1,030,371	1,093,525

*Taking securities included by the company in current assets at market value which was greater than cost.

East Malartic

Features of the 1940 annual report of East Malartic Mines are as follows:

Earnings of 39 cents a share compared with 29 cents the preceding year.

An increase in working capital from $348,918 to $754,553 after distribution of $1.2 millions in dividends.

A decline in ore reserves to 2,475,448 tons of $6.45 grade ($35 gold) compared with 2,912,725 tons of $6.58 grade plus 476,587 tons in pillars a year previous.

Sinking of the main No. 3 shaft to 1,769 ft. with six new levels established at from 970 to 1,720 ft. depth.

Very little lateral development was done during the year with efforts concentrated on shaft sinking, J. P. Norrie, the general manager, states. A new ore body was found to the east at the 485-ft. level which was intersected by drill holes running $8.05 over 12.6 ft. and $6.45 over 16 ft.

Diamond drilling from each of the stations at the new levels has intersected ore. At the 1,570-ft. or bottom level drilling showed a width of 46.3 ft. running $8.14 uncut or $6.13 cut a ton.

Income and Surplus Account
Years Ended Dec. 31

	1940 $	1939 $
Production	3,424,086	2,516,821
Add: Other income	9,119	5,420
Total income	3,433,205	2,522,241
Less: Development	125,148	111,727
Stope development	221,211	258,532
Mining	414,106	288,361
Excav. & backfill	85,643	......
Surface wk. & drill.	18,760	......
Milling	256,341	218,378
Bullion expense	39,033	30,021
Insurance	14,726	9,001
Gen. mine expense	127,527	88,665
Taxes other than inc.	18,350	10,576
Oper. profit	2,112,360	1,506,980
Add: Int. income	4,383	......
Total net income	2,116,743	1,506,980
Less: Def. devel.	124,025	126,906
Depreciation	169,592	129,166
H. O. & gen. exp.	35,999	10,917
Interest	......	10,998
Taxes	219,091	61,000
Net profit	1,568,036	1,167,993
Less: Dividends	1,200,000	......
Surplus for year	368,036	1,167,993
Add: Prev. surplus	1,168,818	*6,225
Sundry adjusts.	574	7,050
Surplus forward	1,537,428	1,168,818
Earnings Per Share and Dividend Record:		
Earned	$0.39	$0.29
Paid	0.30	nil
No. of Shs. Outstand.	4,000,000	4,000,000
Working Capital		
Current assets	936,832	555,813
Current liabilities	182,279	206,895
Working capital	754,553	348,918

*Deficit.

Perron Gold Mines

Although tonnage of ore milled only increased from 132,976 to 140,971 tons in 1940, bullion production of Perron Gold Mines increased from $1,474,188 to $1,897,701, due to both a higher price for gold and a richer average grade of ore treated.

Allowing for three times as much in taxes as in 1939, profits were equal to 28 cents a share against 24 cents. After paying 20 cents a share in dividends, working capital was increased over $200,000 to $649,740, taking securities at market.

Ore reserves were increased slightly in both tonnage and average grade last year, now amounting to 320,663 tons of 0.2352 oz. grade against 312,870 tons of 0.2275 oz. grade. The No. 5 shaft was sunk from 1,174 to 1,972.4 ft. in 1940 with new levels at 1,250, 1,375, 1,500, 1,625, 1,750 and 1,875 ft. Between the 625 and 1,025-ft. levels lengths of up to 650 ft. of ore grading 0.35 oz. across widths of up to 20 ft. were opened up in No. 32 vein. Lengths of up to 300 ft. of the same grade have been opened in this vein on the 1,125 and 1,250-ft. levels.

Income and Surplus Account
Years Ended Dec. 31

	1940 $	1939 $
Bullion production	1,897,701	1,474,188
Less: Marketing	22,428	18,201
Net production	1,875,273	1,455,987
Less: Min. & develop.	730,774	613,776
Milling	117,393	112,872
Admin. & gen. exp.	122,786	103,101
Oper. profit	904,320	626,238
Add: Misc. income	11,363	15,436
Net earnings	915,683	641,674
Less: Depreciation	123,055	105,422
Res. for taxes	228,552	60,117
Net profit	564,076	476,135
Less: Dividends	400,000	400,000
Surplus for year	164,076	76,135
Add: Prev. surplus	549,773	441,528
Adjust.	15,586	32,109
Less: Invests. w/o	111,183	......
Surplus forward	618,252	549,772
Earnings Per Share and Dividend Record:		
Earned	$0.28	$0.24
Paid	0.20	0.20
No. of Shs. Outstand.	2,000,000	2,000,000
Working Capital		
Current assets	962,018	629,191
Current liabilities	312,278	198,909
Working capital	649,740	430,282

Malartic Gold Fields

Highlights of the annual report of Malartic Gold Fields for 1940 are as follows:

Net profit of $440,481 or 11 cents a share compared with $22,132 in 16 days of operation in 1939.

Wiping out a $320,071 excess of current liabilities over current assets with net current assets of $51,699 at the end of 1940.

An increase in mill capacity from 300-400 tons daily to 600 tons in 1940 with provision for further expansion to 1,000 tons with minor additions.

Definite ore reserves of 530,943 tons placed in sight at the end of 1940 against 280,000 tons plus drill indicated ore a year previous.

Late delivery of a new electric hoist and finding of much new ore in the north zone caused suspension of south zone exploration. A 2,000-ft. crosscut to this zone will probably be completed this year.

During 1940 the "A" ore body was developed on the 575-ft. level and "D" on all levels. These two ore bodies have about 1,200 tons per vertical foot to 575-ft. level.

Income and Surplus Account

	Year ended Dec.31 1940 $	Dec. 16 to Dec. 31 1939 $
Bullion production	1,307,962	42,859
Add: Other income	5,664	323
Total income	1,313,626	43,182
Less: Marketing exp.	15,352	454
Development	141,077	4,878
Shaft sinking	30,585	......
Mining	238,301	5,100
Milling	149,246	5,763
Insurance	10,252	101
Gen. mine expense	80,524	1,505
Taxes (not income)	1,434	......
H. O. & gen. exp.	10,951	238
Oper. profit	635,904	25,143
Add: Int. income	251	......
Total net income	636,155	25,143
Less: Develop. w/o.	69,706	2,928
Depreciation	51,160	83
Interest	3,828	......
Inc. taxes	70,980	......
Net profit & surplus	440,481	22,132
Add: Prev. surplus	22,132	......
Less: Sundry adjusts.	1,605	......
Surplus forward	461,008	22,132
Earnings Per Share and Dividend Record:		
Earned	$0.11	$0.005
None paid.		
No. of Shs. Outstand.	4,000,000	4,000,000
Working Capital		
Current assets	253,994	88,879
Current liabilities	202,295	408,950
Working capital	51,699	*320,071

*Excess of current liabilities over current assets.

Inspiration Mining

Increases in diamond drilling revenue and investment income meant a sharp increase in profits for Inspiration Mining and Development Co. in 1940. Earnings of $107,636 were equal to 5.4 cents a share compared with $4,177 or .2 cents a share the previous year.

Although general exploration activity continued to contract, 269,270 ft. of drilling was completed in 1940 against 241,717 ft. the previous year.

Market value of investments held amounted to $1,056,117 at the end of 1940 against $1,019,170. Substantial share interests are held in East Malartic, Malartic Gold Fields, Sladen Malartic and Pascalis. There is a "considerable" investment in Hollinger, Wright-Hargreaves, Perron, Macassa, Kerr-Addison, Canadian Malartic and several others. Over 1.5 million shares are held in companies in the development stage. These companies include Lacoma, Highridge, Senore, Kiena, Centremaque and Normar.

Income and Surplus Account
Years Ended Dec. 31

	1940 $	1939 $
Operat. income	65,445	60,330
Less: Mont. off. exps.	11,008	9,522
Gen. expenses	2,474	1,931
Directors' fees	1,750	1,275
Net oper. revenue	50,213	47,602
Add: Invest. revenue	72,392	32,158
Profit on invests.	24,313	......
Sundry revenue	1,879	3,814
Net earnings	148,797	83,574
Less: Explor. expense	9,067	42,694
Depreciation	17,094	21,907
Loss on invests.	......	14,796
Income taxes	15,000	......
Net profit	107,636	4,177
Add: Prev. surplus	212,035	207,858
Surplus forward	319,671	212,035
Earnings Per Share and Dividend Record:		
Earned	$0.054	$0.002
None paid.		
No. of Shs. Outstand.	2,000,000	2,000,000
Working Capital		
Current assets	1,296,043	1,196,995
Current liabilities	45,709	20,461
Working capital	1,250,334	1,176,534

ANNIVERSARY

J. P. Patterson, of Norris-Patterson, Ltd., celebrates his 30th anniversary with the firm. He went to the advertising agency in March, 1911, and has been president since 1914.

Mining Concentrates

Berens River Mines shareholders are informed that bottom levels are showing promise but work has not proceeded far enough to give any data on length of commercial mineralization.

* * *

Central Patricia Gold Mines continues to secure favorable results, shareholders were informed by F. M. Connell, president. Work is continuing in the western section on 1,000-ft. level with recent showings making 286 tons of 0.43 oz. grade ore per vertical foot. New lower levels to the west have not yet reached their objective. It is planned to sink a winze from the 2,050-ft. level a further 1,000 ft. in order to open up the main ore body east of the workings. Work is to begin late in the summer with completion by July, 1942. It is anticipated with increased milling capacity now available, company will be able to obtain greater output without having to draw too heavily on high-grade sections in the mine.

* * *

Kirkland-Eastern Gold Mines has called a meeting of shareholders for Apr. 9 to fill six vacancies on the board of directors. Meeting is called by A. G. Cumming, the sole remaining director.

* * *

McLellan Gold Mines has cleared a shaft site at its Little Long Lac property and sinking is scheduled to get under way the first week in April. It is planned to do 1,500 ft. of lateral work on levels to be opened up at 150-ft. intervals. All work will be done under contract. Under a recent financing agreement Haras Corporation has purchased 525,000 shares of stock for $55,000 net to the treasury and has options on a further 1,375,000 shares which will net the company $515,000 if exercised. E. J. Bolger is in charge under direction of the consultants for Haras Corporation.

* * *

Newbec Mines was inactive during 1940, President Thomas H. Rea states in the company's annual report. Balance sheet as at Dec. 31, 1940, shows $1,247 cash and $9,900 book value of securities with market value of $850. Current liabilities were $645.

* * *

Tombill Gold Mines ore reserves on Mar. 1 totalled 37,000 tons of 0.31 oz. grade plus 10,000 to 15,000 tons of 0.40 oz. to 0.50 grade on the Elmos property, it was announced at the annual meeting.

* * *

Uchi Gold Mines debt to Pickle Crow Gold Mines of $300,000—covered by a demand note—has been taken over by J. E. Hammell, president. This makes Mr. Hammell's personal loans to Uchi Gold Mines total $350,000. Payments of principal and interest are deferred until after Uchi's bonds have been retired.

How We Spend $3 Billions on War

(Continued from page 11)

mines, and the work of Canadians, given freely to help win the war.

The direct thrust of Canada's own war effort in the coming year is foreshadowed in the war budget proper of $1,450 millions. This is more than double the war appropriation of last year's budget estimates. It is nearly 75% above the $835 millions which latest estimates showed as actual war spending in the fiscal year just ended. The excess of actual spending in the past year over the budget estimate presumably will have to be absorbed in this year's budget, though this has not been clarified as yet.

The huge outlay in the coming year will go to expand the scope of Canada's war effort in almost every field of operations. The armed forces abroad and in home defense are to be enlarged, equipped with a mounting volume of equipment from Canada's expanding industrial machine. Additional army reserves are to be trained under the compulsory training scheme. The air training scheme is to gain in momentum and extent. The major items making up the war budget are as follows:

Canada's War Budget
Fiscal Year 1941-42

	Millions of $
Army	667.3
Navy	169.6
Air Force	170.5
Air Training*	215.6
Munitions and Supply†	180.4
‡Other	46.4

*This is Canada's net contribution after allowing for amounts recoverable from other participants in the plan. The Dominion is committed to pay $650 millions of the $1 billion total cost of the Air Training Plan.

†Apart from $3.5 millions for administration, nearly all of this is for capital advances for new war factories. The cost of the huge volume of equipment and supplies bought through the Munitions & Supply Department is embraced by the amounts shown for the three fighting services, air training, etc.

‡Including direct war costs such as internment ($8.2 millions) and the joint U.K.-Canada inspection board ($3.5 millions); and extra costs of $33.5 millions for the added wartime operations on non-war departments such as Agriculture and Finance.

Plans for Armed Forces

Highlights of the Army plans for the current year include formation and dispatch overseas of the new armored division and tank brigade, a third division to supplement the two already overseas, and the balance of corps troops for the first and second divisions. Extended training operations will not only add to the 50,000 troops overseas, to the 100,000 active service men assigned to defense of Canada, but also add another 40-60,000 to the 180,000 reserve army strength.

The Canadian Navy started the war with 15 ships and less than 2,000 men but today has been built up to 180 ships with a total personnel of 16,210. By next March it is slated to have 413 ships with 27,000 officers and men. Over $60 millions of the Navy's total budget of $170 millions is earmarked for the completion of new vessels. The project for production of destroyers is to be launched during the year.

Operations and outlay of the Department of National Defense for Air, on the three R. C. A. F. squadrons overseas, on the home defense setup of the Air Force, and on Air Training, are to be approximately doubled in the coming year. The total of aircraft utilized in the Air Training plan, now in neighborhood of 2,000 is to be stepped up to 4,700 by next spring. A large proportion of the additional machines will be supplied by the Canadian aircraft industry, now straightening out production snarls and getting into high gear. Between 1,800 and 2,000 are slated to be produced for both British and Canadian account in the coming year.

The total strength of the active service forces of Canada's three fighting services, in home defense and abroad, was recently set by the Prime Minister at 250,000. On a comparable basis the United States, with 11 times greater population, would be maintaining active armed forces of 2,750,000 men.

On a similar basis, the U. S. would have actively mobilized 1,650,000 men in the army, with a reserve army — trained, or to be trained soon — of between 2 million and 2.5 million men. The American air force would have a total personnel of about 900,000. And the U. S. Navy would boast nearly 200,000 men and close to 2,000 ships.

If committed to war plans such as Canada's for the coming year, the U. S. would be stepping up its army —active and reserve — to over 4.5 million; its air force to around 1.5 million; its Navy to a strength of 300,000 men and over 4,500 ships. And other hundreds of thousands would be getting trained for the air force.

War Supply Output

In the Canadian production of war equipment and supplies, and creation of new war industries, greatly increased output will be attained by existing plants and an imposing array of entirely new projects is slated to commence operations. By the end of the calendar year, for instance, all of the 19 plants required for the $100 millions chemical and explosives programme are to be completed and in production.

During the year, output of a wide range of weapons, from rifles and machine guns to field guns and naval guns, will either get under way or be vastly increased from present volume. In this field production will include several types of machine guns, anti-tank guns, anti-aircraft guns, and other types.

The ambitious project for production of tanks, which has had to overcome many obstacles and difficulties, now seems assured of getting under way this year. The MacMillan report on war production saw good prospect that 550 Valentine tanks will be produced by next March, and 210 Mark III cruiser tanks. It is hoped that at least some of these will be available in time to aid in equipping Canada's new armored division and tank brigade when they are mobilized.

Pamour Earns 3.12c In First Quarter

Earnings of 3.12 cents a share were realized in the first quarter of 1941 by Pamour Porcupine Mines, shareholders were informed at their annual meeting last week. A dividend of 6 cents a share has been declared payable June 2 to shareholders of record May 10.

According to Oliver Hall, the company's consulting engineer, when the western section of the company's property is fully developed, there should be available eight to ten years' ore above the 600-ft. level at the present milling rate.

Questioned concerning intrusion of ore from the Broulan and Hallnor properties, it was stated that early drilling on the Broulan extension seemed to indicate only moderate grade, while the Hallnor extension has not yet been explored.

Report Big Boost For Con Mill

In order to allow treatment of ore that cannot be handled by present equipment, Consolidated Smelters will install a roaster, new primary crushing equipment and two Hadsell mills at its Con property in the Yellowknife area, it is reported.

New equipment to be installed will raise capacity from 175 to 350 tons daily, it is stated. Besides new milling equipment, a 100-ft. steel headframe and a new hoist will be installed to increase mine capacity. The Con property has been returning profits to Consolidated Smelters for some time and is the largest producer in the Yellowknife area. It also treats ore from the adjoining Smelters - controlled Rycon property.

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Week in Oils

From Our Own Correspondent

CALGARY.—The Pincher Creek area—scene of Alberta's first oil strike away back in 1902 when the Rocky Mountain Development Co. obtained a substantial but unrecorded amount of 39 gravity crude between 1,000 and 1,900 ft.—has been the graveyard of many an oilman's hopes the past 40 years. Many hundreds of thousands of dollars have been sunk in wells in the area, tantalizing showings of oil and gas have been found in unexpected horizons, but the rich source bed of oil that geologists feel must lie deep beneath the foothills in this area hasn't yet been found.

This week, however, Belgian geologist Paul Von Weymarn, announced that his hopes were still very much alive, that he is firmly convinced today as he was 15 years ago of the possibilities of the Pincher Creek district, and that he is going to support his convictions by retesting and deepening his old Weymarn No. 2 well and by drilling a new venture, Weymarn Petroleums No. 3.

* * *

Light Crude Found

Several shallow wells were drilled in the Pincher Creek area after the "strike" of 1902, but the varying showings obtained never rated commercial. Starting in 1929 on a search for the Madison limestone, which by that time had been discovered as a rich source of naphtha-laden gas in Turner Valley, Paul Von Weymarn drilled his Weymarn No. 2 well down to 6,430 ft. by 1937. He didn't find the lime, but did encounter considerable light crude oil in the Belly River formation between 3,820 and 5,690 ft., indicating the presence of a source bed of oil somewhere below.

Encouraged by these showings, the Anglo Canadian Oil Co. joined the search in 1938, drilled two deep wells (Castle River No. 1 and Alliance No. 1) in conjunction with others, found showings of oil, but couldn't locate the lime. Anglo Canadian gave up then, but Von Weymarn convinced that the geological data obtained from past drilling have put him on the right track at last, is carrying on.

* * *

Start New Well in May

Weymarn No. 3 well will be drilled in L.S.D. 5 24-6-2w5, two miles north and a mile west of Weymarn No. 2 and about 1¾ miles northeast of Alliance No. 1. It will be put down with cable tools, with operations scheduled to start by mid-May. Location is just east of the surface tracing of the west-plunging fault which precluded reaching the lime at Weymarn No. 2 and Alliance. Von Weymarn reports he expects the lime at No. 3 around 5,500 ft.

Meanwhile Von Weymarn has already started work at the old No. 2 well. The hole is now being cleaned out, after which the 4-inch casing, set at 4,430 ft., will be pulled to permit reaming with 8-inch bit to bottom. Bailing tests in 1936-37 brought up a fair volume of oil from between 3,820 and 5,690 ft., and there has since been a feeling that this section might produce considerable oil if the walls of the hole were thoroughly scraped free of caked drilling-mud.

* * *

Allowable Unchanged

On instructions from Dominion Oil Controller Cottrelle, the Alberta Conservation Board has continued the Turner Valley oil well allowable for April at the February and March figure of 26,000 bbls. per day, according to an allowable schedule issued by the board this week.

The April allotment is made up of a 600,000 bbl. conservation allotment (20,000 bbls. daily); a 143,700 bbl. war emergency allotment (4,790 bbls., daily); an allowance of 31,500 bbls. (1,050 bbls. daily) for wells now testing or to be completed in April; 4,200 bbls. (140 bbls. daily) for naphtha recovered from gas produced by oil wells; and 600 bbls. (20 bbls. daily) for shallow oil wells producing from above the lime. The combined April total allotment is 780,000 bbls., or 26,000 bbls. per day.

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BRANCHES ACROSS CANADA

Puts All $25,000 Into Gold Mine Stocks

Fourth Honorable Mention

Contest Winner's Choice

This week The Financial Post presents the fourth of the honorable mention portfolios in its contest on "Investing in Canada's Mines." The entry is that of Don. J. Rogers, of the Toronto office of Nesbitt, Thomson & Co. Ltd.

As was the case with prize-winning entries and portfolios published here in previous weeks, opinions expressed are those of the writer and do not necessarily represent those of either The Financial Post or the contest judges.

By DON J. ROGERS

Constant vigilance must form the basis of any policy for investing in mining. This is easily understood if one looks back only so far as 1936-37. Many of the various properties then being widely advertised are today considered little better than "washed-up." On the other hand, many almost unheard of properties of 1936 are today listed among the most promising producers.

There are three fundamental guides the investor would do well to consider if he is successfully to discriminate between the "up-and-coming" mines and those "on-the-way-out."

Ore Reserves

1. Ore reserves make or break a mine. As they are the life-blood of the mine, they must be given the very closest attention. Mines should be continually proving up new reserves, if they are to continue in operation. Publication of the annual report each year should show reserves of proved up and indicated ore at least equal to the previous year. A consistent increase from year to year is preferable. In ore reserves proved up, mine grade should be maintained. As veins are explored deeper and found to widen, lower grade is at times permissible as mining costs are often reduced.

With development carried to depth, it is of utmost importance that veins do not become narrower. Vein widths in depth development will often given a clue as to whether or not the property being explored will continue to expand and become a staple mine, or whether there is a danger of it petering out.

Grade and Costs

2. Once a mill commences operation, ore reserves are recognized as having a certain grade, or value per ton. This grade should not be permitted too great a downward fluctuation from month to month; or from quarter to quarter, without a satisfactory explanation. If it is only a temporary condition and will be corrected within a reasonable time, there is no need to worry. If it seems a permanent condition securities can well be disposed of. Failure to check consistent drop in grade has proved disastrous to many an investor with funds placed in junior, and in some cases senior, mining properties.

Costs of mining can be reduced once the mill is functioning properly. However there comes a time when these costs can no longer be lowered. If the grade of ore continues to drop against these fixed costs, earnings are drastically reduced and sometimes replaced with a loss. If the property contains a number of rich pockets or better-than-mine grade ore, these can be tapped as long as they last to maintain earnings. To have to count on these pockets for "sweeteners" indefinitely is not sound policy.

As in everything else, if properties are under strong, capable management with a long record of successes behind it, every possible means of prolonging the mine's life will be followed.

Market Action of Shares

There has been many a strong mining market in which a majority of shares continued to push upward, but in which two or three mines, felt to be of utmost promise, failed to respond to the general enthusiasm. Conversely the same is true in a bear move—some stocks refuse to follow the general market down.

As a general rule a stock does as well as the average for its particular group, be it "mature senior," "promising junior," or "promising prospect." Promoters and investors speculate in their securities for both rises and falls in the general mining market.

Unusual news coming direct from a property is about the only thing that causes these people to change their policy. For example: a junior mine in the early stages may report striking ore of exceptionally high grade. Nothing will induce the people who know of this fact to sell their holdings—poor market action least of all. Rather, will they take advantage of the poor market to increase their holdings for the "long pull." This automatically absorbs a good deal of the general selling in this particular issue and stabilizes it.

Once the general market regains its equilibrium, an issue thus accumulated shoots upward very rapidly. An astute investor can often observe such a movement and by making a few well directed enquiries get an inkling as to why the issue is being supported against the trend.

While this practice may occasionally be used in selecting matured company's issues, it is particularly recommended for junior and speculative prospects. Many such mines have prophesied their own futures by just such action before anything was generally known about the property.

Can Help Protect Capital

This principle can also be applied to safe-guard capital already invested in mining issues. If an issue should be moving ahead yet fails to respond to a generally strong market, make an immediate check-up. Enquiry may uncover some unfavorable factor. The aid of well-established investment houses with a wide range of contacts will prove invaluable in helping safeguard the fund as well as make new selections for it periodically.

"Pure Gold" List

If any justification be needed for placing the client's entire $25,000 in purely gold mining issues at this time, there is ample in current general investment conditions.

Higher taxes are rightly taking their share of profits to meet war expenditures. Industrial base metal companies, the main mining alternative for such a fund, have had to meet this greatly increased taxation with pegged prices for their products. Gold mining companies on the other hand now receive an additional $3.50 per ounce premium for their product. This premium while very heavily taxed, still permits earnings equivalent to, or in some cases slightly higher than, those being earned before.

The 20% depletion allowance for income tax on all types of mining companies offers welcome relief when other revenues are being taxed to the limit.

Depletion Hedge

With regard to depletion allowance on gold mining securities, an investor might do well to set aside approximately 25% of his revenue with a view to reinvesting it in additional stock of the more promising juniors already held in the list. Growth of these companies will offer an excellent depletion hedge. The average yield of 7.79% for the senior golds in this list offers an excellent return and should permit a fraction being set aside for reinvestment.

However, if ore reserves are carefully studied from year to year and action taken thereon, depletion charges become a minor concern.

The List Selected

Securities selected here are ones which have shown considerably better-than-average-market performance. Facts show market performance has been based on sound, healthy mine conditions and assets. In the case of the "prospects," there seems more than ample justification for expecting an excellent future showing from all. Their development programmes are steadily expanding assets.

The client holding such a list will have an investment in one of Canada's most precious assets, gold. This investment of $25,000 will give an average return of 6.41% and at the same time offer an opportunity for capital appreciation over a period of the next three to five years. For a portion of any investment fund, what other field offers such opportunities? Where else will the vigilant investor be so well repaid?

"Investing in Canada's Mines"

INCOME DIVISION — MATURE COMPANIES

No. of Shares	Issue	Div. 1940 $	Annual Revenue $	Market Price 29/1/41 $	Yield $	Total Value %	*Market Price 1/4/41 $
100	Dome Mines	2.00	200.00	24.00	8.33	2,400	22.50
200	Hollinger	1.10	220.00	13.00	8.46	2,600	12.87
100	McIntyre	3.05½	305.50	48.00	6.36	4,800	48.00
200	Wright-Hargreaves	.70	140.00	6.50	10.76	1,300	5.60
			865.50		7.79	11,100	

Funds in this group represent 44.66% of the investment.

GROWTH DIVISION — PROMISING JUNIOR COMPANIES

No. of Shares	Issue	Div. 1940 $	Annual Revenue $	Market Price 29/1/41 $	Yield $	Total Value %	*Market Price 1/4/41 $
200	Aunor Gold	......	....	2.00	....	400	1.96
200	Delnite Mines	.06	12.00	1.05	5.71	210	.87
500	East Malartic	.30	150.00	2.70	11.11	1,350	2.66
500	Kerr-Addison	.15	75.00	3.50	4.28	1,750	3.90
500	Macassa Mines	.35	175.00	4.00	8.75	2,000	4.00
200	Macleod-Cockshutt	.20	40.00	2.00	10.00	400	1.90
500	Preston East Dome	.20	100.00	3.05	6.55	1,515	3.15
200	San Antonio	.20	40.00	2.43	8.23	486	2.50
100	Sigma Mines	.45	45.00	8.00	5.62	800	7.40
			637.00		7.14	8,911	

Funds in this group represent 35.86% of the investment.

SPECULATIVE DIVISION — MOST PROMISING PROSPECTS

No. of Shares	Issue	Div. 1940 $	Annual Revenue $	Market Price 29/1/41 $	Yield $	Total Value %	*Market Price 1/4/41 $
1,000	Chesterville	.05	50.00	1.45	3.44	1,450	1.37
1,000	Broulan	.06	60.00	.90	6.66	900	.91
1,000	Cochenour-Willans	.03('41)	30.00	.80	3.75	800	.77
1,000	Senator-Rouyn	......	....	.45	....	450	.40¼
1,000	Naybob	.02	20.00	.26	7.69	260	.26½
1,000	Malartic Goldfields	......	....	.98	....	980	1.05
			160.00		3.30	4,840	

Funds in this group represent 19.48% of the investment.

Classification:	Investment	Estimated Dividends	Yield
Mature companies	**$11,100**	**$ 865.50**	**7.79%**
Most promising juniors	**$ 8,911**	**$ 637.00**	**7.14%**
Most promising prospects	**$ 4,840**	**$ 160.00**	**3.30%**
Total	**$24,851**	**$1,662.50**	**6.41%**

*This column is included for convenience of readers to show the current position of stocks listed for comparison with prices at the time the portfolio was compiled.

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Mining Enquiries

Paymaster Cons.

Why have there been no dividend distributions from Paymaster Consolidated Mines recently? Production and profits seem to be as great as ever and I am at a loss to understand the cutting off of payments.

While it is understood that directors of Paymaster Consolidated Mines would like to distribute further dividends, this has proved impossible recently.

As 23% of the company's shareholders live in the United States, consent of the Foreign Exchange Control Board is necessary before any distribution can be made involving United States funds. At the present time the company is waiting for a ruling on the excess profits tax to determine how much profit is available for payment of dividends.

When this ruling is obtained, it is likely that some distribution will be made, the amount depending upon the accumulation of earnings since the last dividend was paid.

Sherritt Gordon

How is Sherritt Gordon Mines making out? Does there appear to be much chance for further dividends?

While Sherritt Gordon Mines continues to produce in the neighborhood of 30 million lb. of copper a year, net profits realized from mining operations have not been substantial as the company is only receiving around 10 cents a lb. for copper, the fixed price now being paid by the United Kingdom Government. However, operating profits run in the neighborhood of $900,000 a year and a total of 10 cents a share was paid out last year, representing the major part of the operating profit. The company has announced its intention of making a further distribution in the current year.

Ore reserves at the Sherritt Gordon mine in Manitoba have not been announced this year, but are understood to amount to approximately eight years' milling requirements. While the company sells its products at a fixed price, the company is safeguarded in its contract against rising costs exclusive of taxation. A strong working capital position is being maintained and the company is investigating other properties of merit in the same general district. One gold property has been found and it is possible that it may eventually be brought into production, although no work is being done at the present time.

Omega Gold

Has the position of Omega Gold Mines shown any signs of improvement the last year?

The position of Omega Gold Mines changes but slowly and there have been no developments of outstanding importance this last year. In spite of the increase in the price of gold, production—and presumably operating profits—have shown practically no change.

On Mar. 31, 1940, indebtedness to Castle-Trethewey Mines had been reduced to $400,000 by repayments of $75,000 and $125,000 in the two years preceding. At this rate of repayment apparently several years further will be required to liquidate this indebtedness, to build up working capital and commence payment of dividends. No interest is payable on the Castle-Trethewey advances.

Working capital amounted to $187,757 on Mar. 31, 1940, compared with $93,040 the preceding year.

Exploration for new and better ore bodies is continuing, but so far results have not been particularly encouraging. However, the company is maintaining its ore position by continued development of known ore sources.

Partnership Dissolved By Holt, Rankin & Child

From Our Own Correspondent

MONTREAL.—Holt, Rankin & Child, members of the Montreal Stock Exchange and Montreal Curb Market, have dissolved partnership. W. R. G. Holt, senior partner in the firm, has been on active service with the Canadian army overseas. H. J. Child has transferred his seat on the two exchanges and will be associated with C. J. Hodgson & Co., members of the Montreal Stock Exchange and Curb Market.

Mining Company Reports

Dome Mines

Features of the 1940 annual report of Dome Mines are as follows:

Final profit equal to $2.06 a share as against $1.97 a share the previous year.

An increase of 33,000 tons in ore reserves which amounted to 2.6 million tons or 4½ years' supply at the end of 1940.

A sharp increase in dividend income with $270,720 received from Sigma Mines holdings.

Working capital approximately $85,000 higher at $6,798,332, excluding shares of Sigma Mines with market value of over $5 millions.

Quantity of gold produced showed little change at 205,584 ounces compared with 205,480 ounces in 1939 but value increased from $7.5 to $7.9 millions. Gold was recovered from 621,600 tons treated in 1940 against 615,000 tons in 1939.

With the exception of 27,000 tons from the 23rd and 24th levels, all ore came from above the 15th level in 1940. Ankerite veins produced 138,927 tons of the total.

Due to the close proximity of the Ankerite vein systems to one another, and formation factors, a change-over to cut-and-fill stoping methods was started during the year. This will lead to a small increase in mining costs, it is stated.

Income and Surplus Account
Years Ended Dec. 31

	1940 $	1939 $
Bullion production	7,933,786	7,462,379
Less: Devel. & explor.	540,103	606,742
Mining	998,515	951,253
Crushing & convey.	114,166	120,205
Milling	513,022	538,877
Adm. & gen. exp.	288,829	248,935
Insurance	15,561	14,713
Pension fund	38,317	38,280
Oper. taxes	24,615	24,760
Dir. remuneration	43,452	41,500
Counsel	2,415	2,463
Exec. officers	35,816	25,683
Oper. profit	5,318,975	4,848,968
Add: Bond interest	333,548	191,613
Dividends received	270,720	96,877
Prof. on equip.	215	......
Int. on advances	......	1,871
Less: Exchange	195,722	125,192
Net earnings	5,727,736	5,014,137
Less: Taxes	1,562,663	904,012
Depreciation	82,110	167,505
Outside explor. w/o	76,225	100,214
Net profit	4,006,738	3,842,406
Less: Dividends	3,893,336	3,893,336
Surplus for year	113,402	*50,930
Add: Prev. surplus	1,516,617	1,644,978
Prof. on asset	......	2,564
Less: Bonuses	24,250	24,345
Ont. taxes, pr. years	......	55,650
Surplus forward	1,605,769	1,516,617
*Deficit.		
Earnings Per Share and Dividend Record:		
Earned	$2.06	$1.97
Paid	2.00	2.00
No. of Shs. Outstand.	1,946,668	1,946,668
Working Capital		
Current assets	10,608,820	10,045,844
Current liabilities	3,810,488	3,333,020
Working capital	6,798,332	6,712,824

Toburn Gold

A new record for profits was almost established by Toburn Gold Mines in 1940 with earnings equal to 22.4 cents a share against the 1938 record of 23.2 cents a share. A larger proportion of earnings was distributed last year with 20 cents paid out in dividends, or 4 cents a share more than in 1939.

Although development was sharply reduced due to preparation for use of the internal shaft from the 1,090 to 1,850 ft. and extension of the main shaft to 2,511 ft., ore reserves show little change amounting to 145,900 tons of 0.56 oz. grade at the end of 1940 against 149,100 tons of the same grade a year previous. A total of 59,524 tons of 0.586 oz. grade was milled last year.

Location of the faulted extension of the 1,112 drift vein on the 1,210-ft. level is stated to offer excellent indications for deeper development of ore of average grade.

A 45% interest has been taken in financing the Partanen Malartic property in Quebec. The agreement includes all financing up to and including mill construction if results warrant.

Income and Surplus Account
Years Ended Dec. 31

	1940 $	1939 $
Production, less mktg.	1,281,838	1,210,824
Less: Oper. expenses	623,993	576,254
Admin. expenses	6,729	6,537
Oper. earnings	651,116	628,033
Add: Misc. revenue	719	6,199
Total net income	651,835	634,232
Less: Depreciation	54,466	52,856
Exploration w/o	30,216	129,333
Taxes	152,576	90,690
Net profit	414,577	361,353
Less: Dividends	370,000	296,000
Surplus for year	44,577	65,353
Add: Prev. surplus	604,577	539,224
Less: Shares w/d	103,046	......
Surplus forward	546,108	604,577
Earnings Per Share and Dividend Record:		
Earned	$0.224	$0.195
Paid	0.20	0.16
No. of Shs. Outstand.	1,850,000	1,850,000
Working Capital		
Current assets	1,069,855	988,728
Current liabilities	202,960	139,357
Working capital	866,895	849,371

Coniagas Mines

An increase in interest and dividend income from $91,060 to $100,165 was not sufficient to offset an $82,000 drop in securities profits of Coniagas Mines in 1940 and the company's earnings declined from 16 to 6 cents a share. Dividends totalling 25 cents a share were paid each year.

During 1940, 45,697 shares of the company's capital stock was retired. This was partly responsible for a decline in working capital from $1,760,275 to $1,564,617, taking securities at book value. Market value exceeded book value of securities by $598,403 in 1940 and $751,518 in 1939.

No marked change was reported in shareholdings. Shares in Coniaurum were increased 3,000 at 437,700 shares while Argosy holdings decreased from 193,011 to 179,511 shares. Sturgeon River holdings were unchanged at 920,042 shares.

Income and Surplus Account†
Years Ended Dec. 31

	1940 $	1939 $
Interest & dividends	100,165	91,060
Prof. on secs., etc.	18,998	101,483
Misc. income	2,435	2,204
Total revenue	121,598	194,747
Less: Gen. & expl. exp.	78,851	70,005
Surplus for year*	42,747	124,742
Add: Prev. surplus	1,746,104	1,812,651
Less: Min. sharehdrs.	4	12
Dividends	191,275	191,279
Tsf. of surp. to sub.	48,598	......
Balance forward	1,548,974	1,746,104
*Including profit on securities.		
†Consolidated statement.		
Earnings Per Share and Dividend Record:		
Earned	$0.06	$0.16
Paid	0.25	0.25
No. of Shs. Outstand.	719,409	765,106
Working Capital		
Current assets*	1,572,204	1,767,326
Current liabilities	7,587	7,051
Working capital*	1,564,617	1,760,275

*Taking marketable securities at book value which was $598,403 less than market value in 1940 and $751,518 less in 1939.

Coniaurum Mines

While production value increased nearly $120,000 to $1.87 million earnings of Coniaurum Mines in 1940 declined from 16.4 to 14.2 cents a share when taxes jumped from $85,461 to $283,118. Representations have been made for a downward revision of taxes which President Thayer Lindsley terms "the worst interpretation of present regulations."

During 1940, the Bishop subshaft was completed to the 5,000-ft. level. Encouraging indications have been had at two points on the 5,000-ft. level and the management considers showings encouraging for ore both above and below the 5,000-ft. level. The No. 2 winze area is stated to have "favorable prospective possibilities." A new vein also offers ore chances between the 4,250 and 5,000-ft. levels at No. 2 winze.

A total of 185,455 tons of ore was milled in 1940 against 187,405 tons in 1939. Broken ore reserves were reduced 6,033 tons to 113,500 tons due to changed mining methods.

Income and Surplus Account
Years Ended Dec. 31

	1940 $	1939 $
Bullion production	1,870,570	1,753,902
Less: Development	337,523	396,588
Diamond drilling	40,851	36,734
Mining	458,880	434,826
Milling	126,448	126,000
Marketing	20,740	20,795
Gen. mine expense	37,597	34,032
Silicosis expense	10,776	11,140
Mine office	49,663	43,874
Admin. & gen. exp.	25,370	28,053
Operat. earnings	762,722	621,860
Add: Int. & dividends	17,309	14,469
Profit on secs.	1,255	13,818
Total net earnings	781,286	650,147
Less: Taxes	283,118	85,461
Depreciation	106,670	110,564
Loss on equip.	......	401
Net profit	391,498	453,721
Less: Dividends	498,014	442,679
Deficit for year	106,516	*11,042
Add: Prev. deficit	104,132	152,602
Less: Misc. adjusts.	......	37,428
Deficit forward	210,648	104,132
*Surplus.		
Earnings Per Share and Dividend Record:		
Earned	$0.142	$0.164
Paid	0.18	0.16
No. of Shs. Outstand.	2,766,743	2,766,743
Working Capital		
Current assets	1,047,597	1,057,456
Current liabilities	352,271	175,930
Working capital	695,326	881,526

Magnet Consolidated

Although a substantial increase was shown in earnings in 1940, the outstanding development at Magnet Consolidated Mines last year was the opening of 850 ft. of ore at the bottom or 1,080-ft. level—about double the length of ore opened on any of the upper levels.

"The 1,080-ft. level is by all odds the best level yet developed," states A. W. Burt, president. Development of the 930-ft. level had previously been somewhat disappointing.

As a result of the better ore disclosures at depth, ore reserves were more than doubled at 109,000 tons compared with 48,000 tons.

Profits for 1940 were equal to 14.2 cents a share compared with 6 cents for six months of 1939. "It is reasonable to expect that tonnage milled, earnings and dividends may all be somewhat larger in 1941 than in 1940," the president states.

Income and Surplus Account
Years Ended Dec. 31

	1940 $	*1939 $
Bullion production	1,105,148	457,247
Less: Marketing	11,956	3,891
Net production	1,093,192	453,356
Less: Oper. expenses	478,387	168,447
General expenses	2,415	1,282
Operating income	612,290	283,627
Add: Other income	6,931	5,300
Total net earnings	619,221	288,927
Less: Interest	500	19,138
Deferred develop.	53,619	48,399
Depreciation	71,786	44,534
Taxes	67,259	......
Net profit	426,057	176,856
Less: Dividends	300,000	......
Surplus for year	126,057	176,856
Add: Prev. surplus	176,856	......
Surplus forward	302,913	176,856
*From July 1 to Dec. 31, 1939.		
Earnings Per Share and Dividend Record:		
Earned	$0.142	$0.06
Paid	0.10	nil
No. of Shs. Outstand.	3,000,000	3,000,000
Working Capital		
Current assets	337,927	149,115
Current liabilities	101,339	65,301
Working capital	236,588	83,804

Sigma Mines

While production increased over 10%, earnings of Sigma Mines (Quebec) declined to 59 cents a share in 1940 from 72 cents a share the previous year, due to higher development costs and taxes.

An increase in mill capacity to 1,000 tons a day from the average of 766 tons a day in 1940 was completed at the end of the year, Alex. Fasken, president, states. Ore reserves increased 192,000 tons to 1,069,000 tons last year. A total of 279,710 was milled during the period.

Ore reserves are only estimated for the section above the 8th level. Considerable development work remains to be done on the 2nd, 3rd and 4th levels, it is stated, while development continues on the 5th to 8th levels. The lower levels between 8th and 16th are now ready for routine development, it is stated.

Income and Surplus Account
Years Ended Dec. 31

	1940 $	1939 $
Bullion production	2,278,637	2,038,519
Less: Marketing	25,309	24,243
Net production	2,253,328	2,014,276
Less: Devel. & explor.	363,170	257,606
Mining	656,768	538,320
Milling	172,065	155,125
Admin. & general	60,801	49,530
Oper. taxes	23,400	8,580
Insurance	5,454	4,661
Legal fees & exps.	4,272	2,286
Oper. earnings	967,398	999,168
Add: Bond interest	5,361	......
Total net earnings	972,759	999,168
Less: Production taxes	32,333	28,318
Int. on loans	......	3,103
Income taxes	82,237	......
Deferred devel. w/o	100,302	100,302
Depreciation	168,003	147,372
Net profit	589,884	720,073
Less: Dividends	450,000	......
Surplus for year	139,884	720,073
Add: Prev. surplus	1,394,465	676,742
Less: Bonuses	6,325	2,350
Surplus forward	1,528,024	1,394,465
Earnings Per Share and Dividend Record:		
Earned	$0.59	$0.72
Paid	0.45	nil
No. of Shs. Outstand.	1,000,000	1,000,000
Working Capital		
Current assets	544,614	652,602
Current liabilities	228,196	171,088
Working capital	316,418	381,514

Sturgeon River

A sharp increase in profits highlights the annual report of Sturgeon River Gold Mines for 1940. Earnings were equal to 4 cents a share compared with 2.4 cents the previous year.

After payment of 2 cents a share as an initial dividend, working capital was $70,000 higher at $345,850, including investments.

Following shaft sinking, new levels were established at 1,415, 1,580, and 1,750 ft. depth. The new No. 10 vein, located east of the shaft, was drifted on for 411 ft. on the 1,580-ft. level. Both No. 3 and No. 10 veins have also been partially explored on the 1,415 and 1,580-ft. levels but work has not yet been started on the 1,750-ft. level.

Ore reserves were 39,445 tons averaging $13.48 at $38.50 gold at the end of 1940 against 40,500 tons of $12.82 grade.

Income and Surplus Account
Years Ended Dec. 31

	1940 $	1939 $
Bullion production	513,307	441,309
Less: Marketing	6,226	5,641
Net production	507,081	435,668
Less: Mining	272,483	254,461
Milling	50,281	49,610
Admin. & gen.	37,611	33,983
Depreciation	19,708	17,478
Development w/o	48,146	44,863
Less: Dev. deferred	41,162	29,279
Net oper. profit	120,014	64,552
Add: Invest. income	7,513	4,976
Less: Taxes	17,419	4,132
Net profit	110,108	65,396
Less: Dividends	54,995	......
Surplus for year	55,113	65,396
Add: Prev. surplus	275,179	178,242
Devel. adjust.	......	31,541
Surplus forward	330,292	275,179
Earnings Per Share and Dividend Record:		
Earned	$0.04	$0.024
Paid	0.02	nil
No. of Shs. Outstand.	2,749,758	2,749,758
Working Capital		
Current assets	368,819	310,210
Current liabilities	22,969	35,482
Working capital	345,850	274,728

Privateer Mine

Production of Privateer Mine was just slightly less last year than in 1939—valued at $1,142,077 compared with $1,191,967. But President David S. Tait in his annual report to shareholders recalls that in Aug., 1939, the directors announced a policy of lowering daily ounce production of gold from 100 ounces to 80 ounces and mining a greater proportion of lower grade ore.

Profit for the year was $545,419 compared with $729,774 in 1939.

This policy has been rigidly adhered to since then, but except in one month of 1940 the average was better than the set rate of 80 ounces per day. The increased premium on gold was another factor in maintaining value of production.

Dividends amounting to $441,734 were paid during the year, compared with $539,897 in 1939. Mining and milling costs were increased due to handling greater tonnage.

Taxation for 1940 was increased by $37,404 due to the excess profits levy. The period of exemption from general Dominion income taxes expired at the end of 1940 and this will increase taxes for the present year by about $76,000.

Mr. Tait reports that shaft sinking has been resumed and the station for the 1,350 level has been cut. As soon as the sump is completed, crosscutting and drifting on the 1,350 level will be pushed in order to determine as soon as possible whether ore recurs at this deeper horizon.

Exploration work out to the north of the No. 2 vein on the 1,000 level has cut the second of the new veins previously indicated by diamond drilling. Both of these new veins, called the No. 3 and No. 4, show promise of developing commercial ore bodies.

Results of development on the Prident property has been so promising that a new lower level is being started.

Quemont Mining Corp. remained inactive during 1940. Balance sheet as at Dec. 31, 1940, shows current assets of $160 against current liabilities of $38. Investments of $12,000 had a market value of $9,880.

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The Press of Canada And the War Effort

Abusing the Papers
Haileybury (Ont.) Haileyburian

There does not seem to be much point to the Ministers' tirades against the press. From the biggest to the smallest, the papers have all done their part in boosting every public cause, giving their time and space liberally in a cause they believe in, as does every loyal Canadian. If they criticize it is because they honestly believe there is justification, and the best way to prevent or overcome their critical attitude would be to remove the cause, as far as may be possible, at the same time making a bit more clear the Government's plans for the successful prosecution of the war effort.

Asking For It!
St. Catharines Standard

To associate constructive criticism with sabotage, as was done by a Cabinet Minister in the House, is virtually an attempt to stifle all criticism and the Canadian people will not subscribe to any such principle, any more than the British do.

Mr. Howe, who named a financial paper as Saboteur No. 1, also made the announcement that 15 Hurricanes per week were being turned out in the big plant at Fort William. What he failed to say was that the engines for these craft were not in the production nor the instruments for their operation. It was partial information given out, which to the general public is misleading. And it is just such things which undermine confidence.

If the free right of criticism is forfeited in Canada, criticism to help and spur the Government, then we are setting up a system against which the whole Empire is fighting. Complacency in this war can be the deadliest foe. It is particularly so when it grips officialdom.

Criticism of Government
Cochrane (Ont.) Northern Post

Members of the Federal Government are growing restive under criticism, and as they can't attack the general public in the mass they are attacking the public's mouthpiece, the press. From the Prime Minister down they are resorting to wild and unjustifiable attacks upon their critics. The attacks upon the Toronto Globe and Mail, the Montreal Gazette and The Financial Post are unwarranted.

If Federal Ministers complain that newspaper criticism is not based on facts, they have only themselves to blame for the circumstance. For months the responsible press of Canada pleaded for a "live" Parliament so that by the processes of Parliamentary debate and committee study the facts of Canada's war effort might become known, free from any suggestion of propaganda or exaggeration.

Tide of Criticism
By Publicus in Midland (Ont.) Free Press-Herald

Charges of sabotage against the Canadian press by members of the Federal Cabinet in the last two weeks have been numerous and serious.

Either our war effort is so weak that it readily can be hamstrung; or those newspapers to which the Cabinet members have referred should be immediately suppressed under the Defense of Canada Regulations. If, as Mr. Gardiner suggests, these journals have been greater saboteurs than any other organized group in the country, greater than the Communists, the Arcand Facists, and the Nazi shirters, they should be treated as have these aliens in our midst. If, on the other hand, our war effort is weak, newspaper criticism is not the saboteur. . . .

If Canada is still a democracy, the time has come for the people to be entrusted with the whole truth about their war efforts, its achievements, and, more important, its failures.

The rising tide of press criticism will ebb at the hour when the Government becomes critical of itself, when Ottawa's politicians chafe under needless delays, and when they adopt for themselves a programme of "blood, sweat, toil and tears!"

Criticism Gets Results
By Bruce Hutchison in the Vancouver Sun

A politician, if he is worth his salt, soon becomes so engrossed in his work that he is unable to disguish between his own business and the business of the State. Hence, if you criticize his public works he imagines that you are insulting his private character.

We have had ample evidence of these facts here lately. The Government has spent a good deal of its time criticizing its critics, who have replied with more criticism. This, you may think, is a waste of precious hours when the country wants to get on with the war. Looking back, however, over the last month, one is bound to conclude that careful criticism has done the Government, the country and the war effort a great deal of good. In the end, it has probably saved time.

Again and again the Government has been moved by this criticism and outside advice to improve its war programme. Mr. Howe, for instance, has completely changed several important war projects and while it may be argued that he would have done it anyway, the coincidence of the criticism and the change is notable . . ..

Criticism of Federal Aircraft, the **Government's airplane supervisory organization, was followed by a re**organization. Hardly a coincidence. Mr. H. R. MacMillan's secret report on gun manufacture was followed by the appointment of an able new director who is putting the business on a sound basis . . ..

You cannot avoid the conclusion, in fact, that Parliament and the press have been invaluable lately in stimulating the Government to greater effort.

On the whole, though, the House of Commons has been surprisingly reasonable and good-natured, but firm. Its great weakness has not been too much criticism, but too little. A weak opposition has needed behind it a vigilant press to throw the searchlight into dark corners.

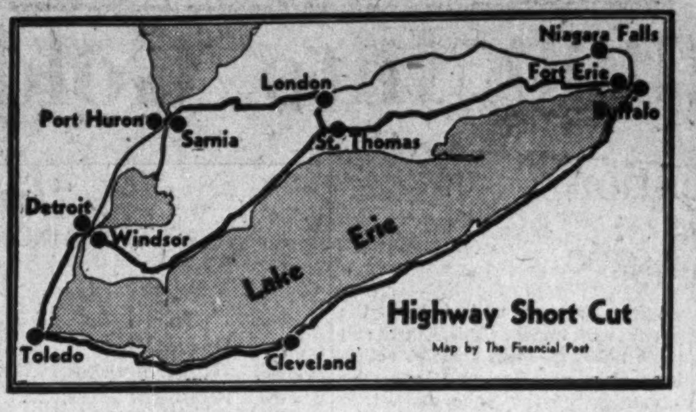
Sometimes the searchlight has been unfair but if it were turned off altogether one shudders to think what would happen. Instead, the democratic process of consultation, of checks and balances and constant public review, is beginning to show real results here. It is beginning to strengthen men's faith in the process itself as a better process than the secret authoritarian methods of the enemy.

Never forget that we know the worst in the democracies. We see the weak spots. In the dictatorships the bunglers and the grafters are always well hidden behind a police force and a row of medals.

Making Use of Criticism
Amherst (N.S.) News

In Great Britain the Government profits by criticism and the Prime Minister has declared that it has been one of the greatest aids in pushing the war effort. In Canada there has been no free acceptance of this principle of aid through criticism, and members of the Federal Government have gone so far as to accuse certain newspapers of sabotage simply because they have asked why there has not been fulfilment of predictions, particularly those made by the Minister of Munitions and Supply, Hon. C. D. Howe.

Seemingly it was thought that by mentioning two or three papers like the Montreal Gazette, The Financial Post and the Toronto Globe and Mail that some odium might be attached to those papers, but the newspaper fraternity in general looks a little beyond the personal or particular phase of the discussion and wonders if something else is not lurking in the Government's mind. The bigger newspapers of Canada believe they are fulfilling a proper function when they call attention to weaknesses or what they think are unnecessary delays in arriving at a maximum of production.



If allowed to run through Ontario, U. S. highway truckers could cut shipping time by many hours.

Plan to Run U. S. Trucks Across Ontario Pushed

Renewed efforts to open a short cut through Ontario for U. S. highway truck shipments between Detroit and Buffalo appear to have gained considerable headway at Washington and Ottawa.

A fresh fillip has been given the scheme by the time it would save in movement of war supplies to Britain, and in shipments for the U. S. defense programme. It is suggested Canadian sanction for the plan would be a friendly concession to a country giving vital aid to the Empire's war effort.

Passage of U. S. truck shipments over Ontario highways, between Detroit and Buffalo, via Windsor and Fort Erie, would require amendment of Canadian customs regulations. These now permit bonded transit shipments between U. S. points to pass through Canadian territory by rail, but not by truck.

Move at Washington

Pressure is now being exerted on the U. S. State Department, to request such an amendment from Ottawa, by the American Trucking Association, the U. S. Automobile Manufacturers Association (Motor Truck Committee), the Detroit Chamber of Commerce and state authorities.

It is reported Ottawa will likely agree as an aid in the defense programme.

It is possible the concession will not be permanent but "for the duration," through use of war emergency powers. However, a similar privilege already prevails on a permanent basis for Canadian trucks passing through the U. S. in transit. This is used chiefly for truck shipments between Toronto and Winnipeg.

Use Canadian Units

Likely procedure if the plan goes through would be for U. S. truck trailers to be cleared through the customs at Windsor or Fort Erie, and hauled through Ontario by Canadian power units. It is not yet clear whether this business would be handled by various Canadian truckers, allotted to one or two firms, or channelled through a "shunting" firm with international ramifications.

The saving possible through use of the short cut through Ontario, instead of the roundabout route through Toledo and Cleveland, amounts to 104 miles on the Detroit-Buffalo route or the equivalent of six hours running time for highway truck operations. The comparison works out this way:

	Distance in miles	*Running time (hrs.)
Detroit to Buffalo		
Through U. S.	365	16
Through Ont.	261	10
Saving in Ont. route ..	104	6
Port Huron, Mich., to Buffalo▲		
Through U. S.	422	18
Through Ont.†	219	8
Saving in Ont. route ..	203	10

*For highway trucking. †Via St. Thomas, London and Sarnia. ▲For shipments to and from points west of Port Huron.

Ontario highway authorities are reported agreeable provided they are satisfied on two points—compensation for use of the roads, and proof of responsibility of the U S. trucking firms involved. Canadian operators of common carrier highway trucking services are also said to be favorable, as they do not now handle any of the business involved and they stand to benefit if the short cut is opened.

A previous attempt to open Ontario roads to U. S. transit trucking was made about two years ago, in behalf of a concern known as International Highway Forwarders Ltd. In this case, however, permission to ship through in bond was sought solely for this firm, which proposed to specialize in this type of business. On this occasion Ottawa was cool, the plan was not favored by the railways or rail labor, and the bill bogged down in the Senate.

Broader Plan

The present proposal is much broader and for this and other reasons seems to have better chance.

A further argument advanced in favor of the scheme is that it would bring substantial amounts of U. S. exchange into Canada, in the form of payments for use of the highways and to Canadian truckers shuttling shipments across Ontario. The latter payments would cover considerable outlay for wages and gasoline.

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